

**Title IV-E Federal Foster Care Reimbursement Program****E-FY2005***Effective date 09/01/2004, E-FY2005**Latest Revision 09/01/2004, E-FY2005***I. GRANT DESCRIPTION.**

- A. The Title IV-E Federal Foster Care Reimbursement Program (Title IV-E program) was established via an interagency agreement between the Commission and the Texas Department of Family and Protective Services (TDFPS) to allow juvenile boards to recoup federal funds for eligible juvenile probation children and for administrative costs related to administering the Title IV-E program. Created as a part of the Social Security Act, this program is designed to assist states with the cost of care for children who qualify for federal benefits prior to their removal from the home by the court. The funds to be distributed under the terms of this grant originate with the United States Department of Health and Human Services (DHHS) as the federal department administering the Catalog of Federal Domestic Assistance (CFDA) #93.658.

**II. GRANT SPECIFIC DEFINITIONS.**

- A. **Administrative Reimbursement.** Reimbursement for costs related to administering the Title IV-E program and providing services to Title IV-E eligible children. To be eligible for reimbursement, all costs must be reasonable, allowable and properly allocated for support of the foster care program. A direct or enhanced administrative claim is not eligible for reimbursement if the basis of the claim has funding from any other federal source.
1. **Enhanced Reimbursement.** Reimbursement of expenditures, based on the cost allocation plan, for related services provided by staff involved in Title IV-E related tasks with children that meet Title IV-E eligibility requirements.
  2. **Direct Reimbursement.** Reimbursement for expenditures related directly to tasks or providing services to children eligible or being considered for Title IV-E benefits.
- B. **Foster Care (Maintenance) Reimbursement.** Reimbursement for substitute care costs incurred for eligible children placed in an allowable setting.
- C. **Juvenile Justice Services.** Juvenile justice services means services provided by or under the authority of the Grantee and provided by the juvenile probation department or other entity, including services contracted with third-party service providers, in response to a policy or directive instituted by the governing juvenile board or an order issued by a juvenile court and under the court's direction, including:
1. Protective services;
  2. Prevention of delinquent conduct and conduct indicating a need for supervision;
  3. Diversion;
  4. Deferred prosecution;
  5. Foster care;
  6. Counseling;
  7. Supervision;
  8. Diagnostic, correctional and educational services; and
  9. Services provided by a juvenile probation department that are related to placement in and/or the operation of a non-secure residential program or other juvenile justice alternative education program.
- D. **Level of Care.** A numerical rating based on an assessment of the services a child will need while in substitute care.
- E. **Penetration Rate.** A methodology approved by the Commission to determine the ratio of Title IV-E reasonable candidates that can be applied to administrative costs for reimbursement from the Title IV-E program.

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- F. **Substitute Care.** The placement of a child in a foster home, residential treatment center or other child care institution.
- G. **Supplemental Costs.** Actual expenditures incurred for children who meet Title IV-E eligibility criteria for costs not covered by the placement per diem rate.
- H. **Target Population.** Children within the juvenile justice system that meet the eligibility requirements for federal benefits under the Social Security Act.
- I. **Title IV-E Approved Facilities.** Facilities licensed and/or approved by TDFPS for Title IV-E participation.

**III. PERFORMANCE MEASURES.**

- A. **Goal.** The goal of the Title IV-E Federal Foster Care Reimbursement Program grant is to reduce delinquency, increase offender accountability and rehabilitate juvenile offenders through a comprehensive, coordinated, community-based juvenile probation system.
- B. **Program Objectives.** The objective of the Title IV-E program is to strengthen foster care services and ensure that children's needs for safety, permanency and well being are met.
- C. **Program Performance.** Grantee performance under the grant shall be determined using the following measures:
  1. Total number of children for whom reimbursement is received for foster care during the grant period.

**IV. PROGRAMMATIC COMPONENTS.**

- A. **Eligibility.** All youth shall meet the definition of the target population as determined by TDFPS.
- B. **Coordinator Duties.**
  1. **IV-E Program Coordinator.** The Title IV-E program coordinator shall act as the Grantee's primary liaison between the Commission and the Grantee and all private consultants, providers, auditors and any federal or state agencies regarding the Title IV-E program. The coordinator shall also act as the Grantee's primary representative in any meetings related to Title IV-E programmatic issues and provide assistance as needed to Commission staff related to program monitoring by any federal or state governmental entity or its designee.
  2. **IV-E Fiscal Coordinator.** The Title IV-E fiscal coordinator shall act as the Grantee's primary liaison between the Commission and the Grantee and all private consultants, providers, auditors and any federal or state agencies regarding the Grantee's Title IV-E reimbursements or other fiscal issues. The coordinator shall also act as the Grantee's primary representative in any meetings related to Title IV-E fiscal issues and provide assistance as needed to Commission staff related to fiscal monitoring by any federal or state governmental entity or its designee.
  3. **Official Communications.** The Grantee shall forward all inquiries, comments and correspondence regarding the Title IV-E program directly to the Commission and to no other persons, entities, state or federal agencies. If the Grantee utilizes any private vendors to perform services related to submitting Title IV-E maintenance and administrative claims, all official communications with the Commission, both formal and informal, shall be initiated by the designated Title IV-E Coordinator.
- C. **Administrative Reimbursement.**
  1. **Training.** The Grantee shall attend training prior to implementation and operation of the Title IV-E fiscal program.
    - a. **With a Consultant.** If the Grantee participates in the administration of the Title IV-E fiscal program via the services of a private service provider, the Grantee shall attend training provided by private service providers prior to implementation and operation of the Title IV-E fiscal program. In addition, the Grantee shall attend any training provided by the Commission.

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- b. **Without a Consultant.** If the Grantee does not utilize a private service provider, the Grantee shall attend training provided by the Commission prior to implementation and operation of the Title IV-E fiscal program.
2. **Implementation Plan.** Prior to requesting reimbursement for administrative claims, the Grantee shall submit to the Commission an implementation plan for approval. The Grantee shall follow the procedures and requirements adopted in the Grantee's implementation plan as those procedures and requirements are specified herein. The Grantee further shall follow any procedures or requirements added to the implementation plan by the Grantee's own initiative. At a minimum, the Grantee shall include in its implementation plan the following documentation:
- a. **Activity Codes and Definitions.** The Grantee shall submit to the Commission for approval clearly defined activity codes that shall be used by the Grantee for the staff time measurement methodology listed in Paragraph IV (D) (1) (b). The Grantee's activity codes shall meet the approval of the Commission. The Grantee shall modify its activity codes and definitions upon the Commission's request; and
- b. **Staff Time Measurement Methodology.** The Grantee shall designate and implement either random moment sampling or a time sheet reporting system to account for staff time spent on Title IV-E program activities. The Grantee shall train all staff on the activity codes as part of the implementation of the staff time measurement methodology. The staff time measurement methodology designated by the Grantee shall contain sufficient detail to substantiate the Grantee's administrative claims. The Grantee shall maintain all documentation pertaining to the staff time measurement methodology employed, as well as its verification of procedures and sample validity. In addition, the Grantee shall maintain a summary spreadsheet of its time measurement results to substantiate the allocation percentages reported on administrative claims.
3. **Cost Allocation Plan.** The Grantee shall submit to the Commission an accurate Cost Allocation Plan (CAP) prepared in compliance with Circular OMB A-87 and 45 CFR Section 1356.60 et. seq. The Grantee shall not be eligible to receive Title IV-E federal funding until its CAP is in place and approved by the Commission. Any subsequent addendum or other proposed change to the CAP shall be submitted to the Commission for approval.
- a. **Cost Allocation Plan Documentation.** The CAP shall include at a minimum:
- i. An organizational chart of the Grantee's juvenile probation department showing the structure of each division whose costs will be claimed for reimbursement under the Title IV-E program;
  - ii. A list of all federal and nonfederal programs performed, operated, administered or serviced by each division of the Grantee's juvenile probation department;
  - iii. A description of the activities performed by each division of the Grantee's juvenile probation department and the applicability to the Title IV-E program;
  - iv. The estimated cost increase or decrease resulting from proposed changes to the Grantee's previous fiscal year's CAP;
  - v. A copy of the Grantee's county last audited comprehensive annual financial report. The Grantee shall use the financial report as documentation in support of the allowable costs of each central service activity included in the Grantee's CAP;
  - vi. A certification by a duly authorized official no lower than the chief financial officer of the governmental unit that the plan:
    - (-a-) Was prepared in accordance with OMB Circular A-87;
    - (-b-) Provides an identification of the unit rendering the service and the operating agencies receiving the service;

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- (-c-) Includes the items of expense included in the cost of the service;
  - (-d-) Designates the method used to distribute the cost of the service to benefited agencies; and
  - (-e-) Contains a summary schedule showing the allocation of each service to the specific agencies supported by the last audited comprehensive annual financial report.
4. **Indirect Cost Rate Proposal.** The Grantee shall submit to the Commission an accurate county certified Indirect Cost Rate Proposal based on the information contained in the Grantee's CAP and in accordance with OMB Circular A-87 and 45 CFR Section 1356.60 et. seq. The Grantee shall not be eligible to receive Title IV-E federal funding until its Indirect Cost Rate Proposal is in place and approved by the Commission.
- a. **Indirect Cost Rate Proposal Documentation.** At a minimum, the Grantee shall include in its Indirect Cost Rate Proposal the following documentation:
- i. Any work sheets and other relevant data, cross-referenced and reconciled used by the Grantee to establish the indirect cost rate;
  - ii. The approximate amount of direct based costs, as direct based costs are defined by OMB Circular A-87; and
  - iii. A certification by a duly authorized official at a level no lower than chief financial officer of the governmental unit that submits the proposal that the plan has been prepared in accordance with OMB Circular A-87 and 45 CFR 1356.60 et. seq.
5. **Penetration Rate.** The Grantee shall use a methodology approved by the Commission to determine the ratio of Title IV-E reasonable candidates that can be applied to administrative costs for reimbursement from the Title IV-E program. The Grantee acknowledges the methodology approved by the Commission may change at the discretion of the Commission and/or TDFPS. The Grantee shall complete accurate screening and assessment of Title IV-E reasonable candidates consistent with the methodology and retain accurate listings, accountings and other necessary documents.
6. **Reimbursable Costs.** The Grantee may request reimbursement for services that include, but are not limited to, foster care maintenance expenses, training expenses focused on enhancing and building skills necessary to perform functions directly related to the benefits offered by the program to improve outcomes for children and for administrative and other expenses necessary for the administration of the Title IV-E program. All claims under this grant can only be made during the term of this grant. The Commission shall reimburse the Grantee only for actual costs.
7. **Non-Reimbursable Costs.** The Grantee shall not request reimbursement for services that include, but are not limited to, physical/mental examinations, medications of any type, counseling of any type, testing/evaluation of any type, homemaker or housekeeping services, education expenses, and recreational expenses (unless it is a form of child's personal incidentals). Additionally, social services are not reimbursable under any circumstances regardless of what type of professional/non-professional provides them. This also includes costs that are incurred for social services that provide treatment to the child, the child's family, or foster family to remedy personal problems, behaviors or home conditions.
- a. **Flat or Contingency Fees.** The Grantee shall ensure that any flat fees cost charged for reimbursement under the Title IV-E grant shall be reasonable and based upon a cost price analysis made and documented in the Grantee's procurement files in accordance with 45 CFR Section 74.46. Contingency fees shall not be reimbursable under this grant.
8. **Applicability of Additional Requirements.** The program components contained in this Subsection shall not be construed by the Grantee as an exclusive listing or waiver of any legal requirements with which the Grantee must comply. Additional requirements may apply under Title IV-E of the Social Security Act, Title 45 Code of Federal Regulations (CFR), Office of Management and Budget (OMB) Circular A-87, Office of Management Budget (OMB) Circular A-133 and other applicable rules and regulations for Title IV-E Federal Financial Participation (FFP).

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**D. Privatization and Subcontracts.**

1. **Subcontracts for IV-E Administration.** All subcontracts entered into by the Grantee or the Grantee's county shall be in writing stating that all subcontractors shall be subject to the General Grant Requirements and/or requirements specified herein as well as applicable Commission standards. The Grantee further shall accept financial responsibility for the performance, nonperformance, errors and omissions of a subcontractor who entered into a contract for the provision of Title IV-E program management.

**E. Liability of Grantee.**

1. The Grantee shall be liable for all payments made for ineligible claims for maintenance and administrative costs that are discovered by the Grantee, the Commission or its authorized designee.
2. The Grantee shall remain wholly liable for any inaccuracy or discrepancy in the cost allocation plan or other related documents submitted to the Commission or its authorized designee.

**V. PROGRAMMATIC REPORTING.**

- A. **Annual Reports.** See General Grant Requirements.
- B. **Quarterly Reports.** See General Grant Requirements.
- C. **Monthly Reports.** None.
- D. **Other Periodic Reports.** See General Grant Requirements.

**VI. PROGRAMMATIC MONITORING.**

- A. **On-Site Monitoring Visits.** See General Grant Requirements.
- B. **Unannounced On-Site Monitoring Visits.** See General Grant Requirements.
- C. **Desk Audits.** See General Grant Requirements.
- D. **Other.** None.

**VII. APPLICABLE LAW.** The Grantee shall comply with the following applicable state and federal laws under this grant.**A. Applicable Standards.****1. Texas Administrative Code (TAC) Title 37 Public Safety and Corrections.**

- a. Chapter 341 – Texas Juvenile Probation Commission.
- b. Chapter 347 – Title IV-E Federal Foster Care Programs.
- c. Chapter 349 – General Administrative Standards.

**2. Texas Administrative Code (TAC) Title 1, Part 15 Health and Human Services Commission.**

- a. Chapter 351, Section 351.13 – Substitute Care Provider Outcome Standards.

**B. General Statutes.** See General Grant Requirements.**1. Federal Law.****Summary of Grant Requirements**

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- a. **Code of Federal Regulations (CFR) Title 45 – Public Welfare, as amended.**
    - i. Title 45 Code of Federal Regulations 1356.60 –Requirements Applicable to Title IV-E.
  - b. **Office of Management and Budget (OMB) Circular A-87, as amended.**
    - i. 60 Federal Register 26484-- Office of Management and Budget (OMB) Circular A-87 – Cost Principles for State, Local, and Indian Tribal Governments.
  - c. **Office of Management and Budget (OMB) Circular A-102, as amended.**
    - i. 59 Federal Register 52224 - Office of Management and Budget (OMB) Circular A-102 - Grants and Cooperative Agreements with State and Local Governments.
  - d. **Social Security Act of 1935, as amended.**
    - i. Title 42 United States Code 670 et. seq. – Social Security Act, Title IV-E.
2. **State Law.**
- a. **General Appropriations Act, H.B. 1, R.S., 78<sup>th</sup> Legislature, 2003, Article V.**
  - b. **Texas Government Code, Title 7, Uniform Grant and Contract Management.**
    - i. Chapter 783 - Uniform Grant and Contract Management Act.
- C. **Policy.**
- 1. **Texas Juvenile Probation Compliance Resource Manual, Volumes 1 - 2, 2004.**

**VIII. FINANCIAL COMPONENTS.**

- A. **Allowable Expenditure of Funds.** The Grantee shall spend all funds received under this grant for allowable expenditures as they are detailed herein.
- 1. The Grantee shall use any and all financial reimbursement received through the Title IV-E program under this grant for juvenile justice services.
  - 2. The Grantee may expend grant funds for the purchase of equipment, renovation or construction with prior authorization by the Commission. An item is equipment if county policy requires it to be capitalized or, if the county has no policy, it has a useful life of more than one year and a cost of more than \$5,000.00.
- B. **Unallowable Expenditure of Funds.**
- 1. The Grantee shall not use reimbursement funds received through this grant for placement of children in secure pre-adjudication detention, short-term (holdover) or secure post-adjudication correctional facility or any related costs.
  - 2. The Grantee shall not expend Title IV-E funds for judges' salaries, juvenile board expenses, court-appointed attorneys, prosecutors, or other court expenses. The Grantee shall not expend, obligate or utilize Title IV-E funds for any purpose other than those authorized in Section VIII (A) above.
  - 3. The Grantee shall not expend more than fifteen percent (15%) of any federal funds received pursuant to the Title IV-E program for any flat or contingency fees paid to private service providers for or on account of Title IV-E administrative claiming. The Grantee shall ensure that any flat fees cost charged for reimbursement under the Title IV-E grant shall be reasonable and based upon a cost price analysis made and documented in the Grantee's procurement files in accordance with 45 CFR Section 74.46. Contingency fees shall not be reimbursable under this grant.

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- C. **Financial Match Requirements.** None.
- D. **Funding Adjustments.**
1. **Reduction of Grant Payments.** See General Grant Requirements.
  2. **Unexpended Balances.** None.
  3. **Overpayments.** See General Grant Requirements.
  4. **Refunds Due.** If unallowable expenditures are discovered through any means, the Grantee shall reimburse the Commission immediately and fully for any unallowable expenditure. The Commission reserves the right to terminate this Contract should the Grantee fail to reimburse the Commission immediately and fully for each unallowable expenditure.
    - a. The Grantee shall repay the Commission all funds paid to the Grantee for ineligible administrative and foster care claims retroactive to the earliest date of ineligibility. The Grantee shall notify the Commission immediately when it is discovered a child has become ineligible for Title IV-E funding. In the event the Grantee must repay funds already received by the Grantee, the Commission may exercise the following options:
      - i. The Commission may deduct the amount of federal recoupment from the next scheduled Title IV-E payment from the Commission to the Grantee;
      - ii. If the next scheduled payment is insufficient to satisfy the federal recoupment, the Grantee shall pay the Commission the required amount within 45 calendar days of the date of written notice from the Commission; or
      - iii. If the Grantee fails to reimburse the Commission for ineligible claims as detailed above, the Commission may withhold funds from any or all grant programs in which the Grantee participates until the arrearage is paid.
- E. **Timely Expenditure of Grant Funds.** None.
- F. **Audits.** See Also General Grant Requirements.
1. The Grantee shall be responsible for determining applicability and ensuring compliance with the Single Audit Act of 1984, Public Law 98-502, and as amended by the Single Audit Act Amendments of 1996, Public Law 104-156 as it relates to reimbursements received under this grant. The Grantee shall have a Single Audit performed if applicable and retain copies for future review by federal and state officials.
- G. **Financial Assurances.** See Also General Grant Requirements.
1. Authorization from the Commission is received for the purchase of equipment, renovation or construction. An item is equipment if county policy requires it to be capitalized or, if the county has no policy, it has a useful life of more than one year and a cost of more than \$5,000.00.
  2. No more than fifteen percent (15%) of any federal funds received pursuant to the Title IV-E program are used for any flat or contingency fees paid to private service providers for or on account of administrative claiming.
  3. Financial reimbursement received through the Title IV-E program is used to increase funds available for juvenile justice services. Grantee did not use reimbursement funds received through this grant for secure placement or detention or any related costs.
  4. Idle funds are invested in an account that provides a reasonable interest rate and provides necessary protection of principal. Any interest accrued is considered generated income and is reported to the Commission as such. Any income generated is placed in the special fund for enhancing juvenile justice services.

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5. The receipt and expenditure of Title IV-E federal reimbursements received by the Grantee pursuant to this grant are accounted for separately and spent according to the contract requirements.
6. Salary expenses reported on Title IV-E administrative reimbursement claims do not include travel allowances or emoluments.
7. Title IV-E-specific training and general training costs reported on Title IV-E administrative claims are an accurate representation of costs.
8. Direct and indirect costs reported on Title IV-E administrative claims are an accurate representation of allowable expenses incurred on behalf of the Title IV-E program.
9. Any and all findings related to the Title IV-E program noted in the annual Single Audit for the Grantee, if applicable, are disclosed in the Schedule of Findings and Questioned Costs in the Grantee's Annual Independent Audit.
10. The Grantee's policies on compensatory time and overtime pay are consistently applied to employees of the Grantee's juvenile probation department for all state and federal programs.
11. Funds received by the Grantee under this grant are not used to supplant or replace federal, state or local funding.

H. **Service Provider.** See General Grant Requirements.

#### IX. FINANCIAL REPORTING.

- A. **Annual Reports.** The Grantee shall submit to the Commission a *TDFPS Budget for Purchase of Services* [TJPC-FIS-28-04], at the start of the fiscal year, with an estimate of the total costs (administrative, maintenance and supplemental) for which a department is expecting to seek reimbursement.
- B. **Quarterly Reports.** The Grantee shall submit to the Commission a *Title IV-E Administrative Claim* [TJPC-FIS-17-04] or [TJPC-FIS-29-04] requesting reimbursement on Title IV-E related administrative expenses within 30 calendar days of the close of each state fiscal quarter.
- C. **Monthly Reports.** None.
- D. **Other Periodic Reports.**
  1. The Grantee shall submit to the Commission, upon request, the monthly billing document or invoice from the placement facility concurrently with the *Request for Reimbursement Form* [TJPC-FIS-22-04].
  2. The Grantee shall submit a *Request for Reimbursement Form* [TJPC-FIS-22-04] by the 10<sup>th</sup> of the month following the delivery of services for which reimbursement is sought.

#### X. FINANCIAL MONITORING.

- A. **Annual Monitoring.** See General Grant Requirements.
- B. **Periodic Monitoring.** See General Grant Requirements.

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