

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 8, 2005

COUNTY FISCAL LETTER (CFL) No. 05/06-31

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS
COUNTY PROBATION OFFICERS

SUBJECT: TITLE IV-E WITH PRIVATE DONATED FUNDS AS A MATCH

REFERENCE: CFL No. 03/04-22, dated August 7, 2003

As a result of a Department of Health and Human Services (DHHS) examination of California Department of Social Services (CDSS) practices and instructions in the use of Title IV-E, this CFL provides additional policy on the use of donated funds given to the county from a private source as a match for Title IV-E training at the enhanced (75 percent) federal financial participation (FFP) rate.

FEDERAL REGULATION AND POLICY

The federal government established the guidelines for using private donated funds as a match for Title IV-E. The Administration for Children and Families (ACF) Child Welfare Policy Manual - under Section 8.1F Administrative Functions/Costs, Match Requirements, Question and Answer #3 issued August 16, 2002 - provides the criteria for private funds to be used as the Title IV-E match when the following criteria are met:

- Private donated funds can be used as the state/county share to the extent that the funds are used on allowable Title IV-E costs.
- Private donated funds can be used as the state/county share when donated without restriction to use. However, the donor can specify that the funds be used for services, administration, or training as long as the donor is not a sponsor or operator of a program providing such services, administration, or training.

- Private donated funds may not be used to purchase services for which FFP is claimed from the donor organization.
- Unspent private donated funds which revert to the donor do not qualify as the state/county share of funds as they were not spent on allowable Title IV-E administrative activities.

The response in the Child Welfare Policy Manual continues with the statement “that only funds donated from a public source that satisfy the above criteria may be used to match Title IV-E training expenditures pursuant to 45 Code of Federal Regulations (CFR) 1356.60(b)(3).” Thus, because of Federal control language at 45 CFR 1356.60(b)(3), private funds cannot be used to match Title IV-E at the enhanced 75 percent training rate unless they become appropriated to the State or local agency as public funds and meet the criteria found in 45 CFR 235.66(a)(1), e.g. are also not used to match other Federal funds.

TECHNICAL ASSISTANCE

CDSS has confirmed with DHHS that the private donated funds must be **appropriated** in the State or County Budget by the proper authority. These private donated funds are then considered public funds pursuant to 45 CFR 235.66(a)(1) and can, therefore, be used to match any Title IV-E funds, including at the enhanced 75 percent rate.

Therefore, private donated funds given directly to the county cannot be used to match Title IV-E at the enhanced rate of 75 percent unless the private donated funds have been appropriated through the county budget as public funds.

An example of this budget appropriation process is Assembly Bill (AB) 2496 in which the State Legislature created a Child Welfare Services Program Improvement Fund in the State Treasury, consisting of private grants, gifts, and bequests made to the State. Upon appropriation by the Legislature, monies from this fund would be expended for the purpose of enhancing the State’s ability to provide supports that promote positive outcomes for children and families. Counties do not have access to the funds in AB 2496. To the extent possible, AB 2496 requires the State to use the monies in the fund as a match to obtain federal participation for the cost of eligible activities, and to augment federal, state, and county funds made available for child welfare services programs. Under AB 2496, the State Legislature appropriates the donations based on the submission of eligible activity requests by CDSS such as support for social worker training. Through the use of AB 2496, these funds from a private source can be considered under the federal rules as eligible for the State match for both Title IV-E training and administrative costs.

Counties, who wish to use private donated funds as a match for Title IV-E training, must have a procedure which appropriates the private donated funds through the county budget process which adhere to procedures as set forth in AB 2496.

If you have any questions regarding this CFL, please submit your questions to fiscal.systems@dss.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gloria Merk', with a long horizontal flourish extending to the right.

GLORIA MERK
Deputy Director
Administration Division

c: CWDA