

Date: 09/29/2009  
Sequence: 2010-10-A  
Topic: **TANF & Child Care Admin Caps**

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In order to stay within the statewide administrative caps established in 45 CFR 263.13 and 45 CFR 98.52 for TANF and Child Care (CC), ODJFS has determined that it is necessary to enhance tracking and monitoring of the expenditures charged to administration at both the county and state levels. Although federal regulations limit the State to 15% (TANF) and 5% (CC) of the overall grants, ODJFS is not limiting the counties to those same standards with respect to their individual allocations, and the amount allocated to the counties as laid out in the Subgrant Agreements and Addenda for these funding streams will remain the same. ODJFS calculated the maximum that can be allocated to the counties for administrative costs while remaining in compliance with the federal restrictions at the state level.

### Rule changes

ODJFS is emergency filing administrative code rules regarding the TANF and CC allocation changes. The changes will be made in CFIS with an effective date of October 1, 2009. The rules reflect the following changes:

- Established separate allocations for the administration portion of TANF and CC. Allowable expenditures for these allocations are consistent with the federal definitions for administrative costs in TANF and CC. These allocations will consist of a portion of the allocation each county received for TANF and CC for FFY10.
- Amended current allocation rules for TANF and CC (now titled "TANF Regular" and "Child Care Non-Administrative Costs," respectively) for reporting the allowable non-administrative expenditures for these allocations separately.
- Separated the Quality Child Care component from the "Child Care Non- Administrative Costs" rule, but no substantive changes to the Quality Child Care rule were made.
- Rescinded the Child Care 2 allocation rule. This rule was unnecessary, since Child Care 2 was entirely funded with TANF administration dollars. Costs previously eligible to be moved to Child Care 2 may now be moved to the regular TANF allocation or the TANF Administration allocation as detailed in the Child Care rules.

In addition, the new administrative allocations will be added to the list of funds counties may trade in accordance with the Inter-county Adjustment of Allocations rule 5101:9-6-82, which is in the process of being amended to allow county participation at any time during the state fiscal year.

### Draws

Draws may continue to be submitted weekly using the available funding sources.

### TANF and Child Care Direct Expenditures

- Vendor Services – Financial codes mapped directly to the TANF Regular allocation will be used to report expenditures for direct services provided by vendors. Financial codes mapped directly to the TANF Administrative allocation will be used to report expenditures for services performed by a vendor that fit within the definition of TANF administration. Similarly, financial codes mapped

directly to the Child Care Non-Administration allocation will be used to report expenditure for direct services provided by vendors; and financial codes mapped directly to the CC Administration allocation will be used to report expenditures for services performed by a vendor that fit with the definition of Child Care administration.

- Subrecipient Services – Expenditures for services provided by subrecipients must be separated into TANF Administration and TANF Regular. Expenditures associated with eligibility determination, and other expenditures meeting the definition of TANF administration, may not be charged to the TANF Regular allocation. Conversely, expenditures associated with case management and other non-administrative activities may not be charged to the TANF Administrative allocation. (Please note: This may affect contracts between CDJFS agencies and stand alone PCSA agencies.)

### RMS Expenditures

The RMS process has not changed and RMS participants will continue to select the codes associated with the activity that is being conducted at the time of the RMS hit. RMS codes associated with TANF Administration activities will now map to the TANF Administration allocation. ODJFS is in the process of reviewing the current coding and will advise county agencies of any coding changes should they occur.

The RMS codes and mappings are as follows:

IM/SS RMS Activity	RMS Mapping
100 - Admin/Eligibility Determination	TANF Administration
101 -Case Management	TANF Regular
102 - Work Activities	TANF Regular
105 - Transportation Services for Unemployed Families	TANF Regular
106 - Transportation Non-assistance	TANF Regular
110 - Non-recurrent Short - term Benefits	TANF Regular
111- Prevention of Out of Wedlock Pregnancy	TANF Regular
112 - Two-parent Formation and Maintenance	TANF Regular
113 - Other PRC Activities	TANF Regular
500 - Eligibility Determination	Child Care Non-Administration
501 - Provided Recruitment, Certification and Supervision	Child Care Non-Administration
502 - Child Care Quality	Quality Child Care
503 - Child Care Case Management	Child Care Administration
504 - Child Care Information	Child Care Non-Administration
760 - Child Welfare PRC Eligibility	TANF Administration
762 - Child Welfare PRC Case Management	TANF Regular
763 - Child Welfare PRC Case Management	TANF Regular

### TANF/Child Welfare Expenditures

- Child Welfare/TANF RMS codes 760, 762, and 763 should be used rather than charging the allocation through the SSRMS Certification of Funds. When a standalone PCSA has a TANF contract, and the RMS process is utilized, then properly invoicing the CDJFS for TANF

Administration and TANF Regular activities will be supported by the RMS hits to each of the codes.

- Future guidance will be provided to agencies that utilize the Certification of Funds process to distribute non-allocated expenditures to the TANF funding source.

### **Post-Allocated Adjustments for Ceiling Excess Q & A**

ODJFS allows maximum flexibility within the allocations, while remaining in compliance with federal regulations. Below are guidelines for performing post-allocated adjustments.

Q: May a county move expenditures from TANF Regular to TANF Administration?

A: Yes, at the end of the period of availability, if a county determines they have an adequate balance in their TANF Administration allocation, they may move expenditures from TANF Regular to TANF Administration.

Q: May a county move expenditures from TANF Administration to TANF Regular?

A: No, TANF Administration expenditures cannot be moved to TANF Regular. This would result in misapplying expenditures that are limited to the 15 % statewide cap.

Q: May a county move expenditures from CC Administration to CC Non-Administration?

A: No, CC Administration expenditures cannot be moved to CC Non-Administration. This would result in misapplying expenditures that are limited to the 5 % statewide cap.

Q: May a county move expenditures from CC Non-Administration to CC Administration?

A: Yes, at the end of the period of availability, if county determines they have an adequate balance in their CC Administration allocation, they may move expenditures from CC Regular to CC Administration.

Q: May a county move expenditures from CC Non-Administration to TANF Administration?

A: Expenditures related to eligibility determination may be moved from CC Non-Administration to TANF Administration. These costs are associated with RMS code 500.

Q: May a county move expenditures from CC Non-Administration to TANF Regular?

A: Expenditures related to activities that do not fall within the definition of TANF administration may be moved from CC Non-Administration to TANF Regular. These costs are associated with RMS codes 501, 503, and 504.

Q: May a county move expenditures from Child Care Quality to CC Non-Administration or TANF Regular?

A: Yes, Child Care Quality expenditures are eligible to be moved to these two allocations.

Q: May a county move expenditures from Child Care Quality to TANF Administration?

A: Yes, at the end of the period of availability, if a county determines they have an adequate balance in their TANF Administration allocation, they may move expenditures from Child Care Quality to TANF Administration.

Q: May a county move expenditures from Child Care Quality to CC Administration?

A: Yes, at the end of the period of availability, if a county determines they have an adequate balance in their CC Administration allocation, they may move expenditures from Child Care Quality to CC Administration.

**Summary**

The federal definitions of “administrative cost” for TANF and CC contain a few key differences. To assist our county partners, the definitions have been listed in the new rules so that agencies can make sure that administrative activities are being accurately reported. The definition of administration for TANF includes eligibility determination; however, the definition of administration for CC does not include eligibility determination. RMS coordinators should review the information provided in this update, as well as the new/amended administrative rules, to ensure all RMS observations are completed appropriately.

This topic will be added to the agenda for the next regional quarterly fiscal meeting.

Please contact your ODJFS Fiscal Supervisor if you have questions.

Thank you.