

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

September 30, 1991

ALL COUNTY LETTER NO. 91-103

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: INDEPENDENT LIVING PROGRAM FINAL ALLOCATIONS FOR FEDERAL FISCAL
YEAR 1992, OCTOBER 1, 1991 THROUGH SEPTEMBER 30, 1992

This letter provides final county Independent Living Program (ILP) allocations for Federal Fiscal Year (FFY) 1992 (October 1, 1991 through September 30, 1992).

This letter also provides allocations for additional federal Title IV-E funds which are available to counties that can provide a cash or in-kind match of the federal funds dollar for dollar (50 percent match) for all eligible expenditures.

BACKGROUND

The Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272) added provisions to Title IV-E of the Social Security Act (Section 477) which authorized funds for a two year period for state independent living programs to assist Title IV-E eligible foster children, age 16 and over, make the transition to independent living. Effective November 10, 1988, Public Law 100-647 expanded ILP services to non-federally eligible foster youth.

The Independent Living Program was reauthorized most recently by the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239) for FFYs 1990 through 1992. This Act also authorized, and Congress has appropriated, an increased funding level nationwide from \$50 million for FFY 1990 to \$60 million for FFY 1991 and \$70 million for FFY 1992. Amounts appropriated above the basic \$45 million level nationwide for FFYs 1991 and 1992 require a 50 percent non-federal match.

California's share of the basic amount of \$45 million is \$8,023,999. This amount will continue to be available to the State/counties with no match requirement. California's share of the additional amount at the \$60 million nationwide level is \$2,674,667. In order to be eligible for these additional funds the State and/or the counties must provide an additional \$2,674,667 to match the federal funds.

ALLOCATION METHODOLOGY

The distribution of funds in California for the period of October 1, 1991 through September 30, 1992 is based on each county's proportionate share of the State's total foster care population, age 16 and over, as reported to the Foster Care Information System (FCIS).

The attached final allocation (Attachment A) is based on information reported to the FCIS during the calendar year ending December 1990 and provides counties with the amount of funds which are available for the operation of the ILP for the period from October 1, 1991 through September 30, 1992.

Attachment A also shows each county's respective share of the additional federal funds using the same allocation methodology. These additional federal funds require a match at the rate of one dollar for every federal dollar spent.

MATCH REQUIREMENTS

Due to the current State budget situation, it is not anticipated that State General Funds will be available to match any of the additional federal funds. Therefore counties are invited to provide the match for the additional federal funds available for FFY 1992. Counties may match all or a portion of the additional federal funds.

The matching requirement may be met in two ways:

1. Allowable costs incurred by the county or contractor; or
2. The value of third-party in-kind contributions which are applicable to the quarter in which costs are claimed.

A third-party in-kind contribution is property or services which are contributed without charge to the county or to a contractor by a non-federal third party. In order to qualify as match, third-party in-kind contributions must be necessary to accomplish program activities and allowable if the county or contractor were required to pay for them. The county must ensure that all third party contributions are supported by records which document how the value of the contributions was determined. Refer to the attached 45 Code of Federal Regulations (CFR) 92.24 (c), (d), and (e) (Attachment B) for requirements in determining the value of a contribution.

In order for a cost to be used as the county match it must be recognizable under federal cost principles; it may not be derived from federal grant funds from other programs, or be used to match any other federal grant.

Counties may apply for all or part of the additional federal funds allocated, but are required to provide a 50% match for any additional federal funds claimed.

The county's match must be used for the ILP as described in State regulations and Guidelines, may not be used to pay or provide for room or board, and must be used to purchase or provide services over and above the current level of services supported by the county's current allocation and any current matching contributions.

A number of questions were asked by the counties concerning match requirements and are answered below.

1. Q. Is the reimbursement returned to counties on a monthly basis? Will programs have to submit a monthly claim?
 - A. Counties are reimbursed for program expenditures, including in-kind contributions, through the quarterly administrative expense claim.

2. Q. If services are being paid for now, and next Federal Fiscal Year (FFY) they are donated, will those services be available to factor reimbursement as a result of an increase in volunteer/donated services? Or will these services not be available because they are not new ILP activities?
 - A. These services will not qualify as eligible contributions to match the additional federal funds. The activity must be a new activity. In accordance with 45 CFR 92.24 (b) (7) (iii) (A), " A third party in-kind contribution to a fixed price contract may count towards satisfying the matching requirements only if it results in: An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee)."

3. Q. Will reimbursement occur quickly for new services being provided? Will reimbursement occur after time in those cases where the program is attempting to exceed previously set volunteer/donation levels?
 - A. Reimbursement will occur at the same time interval as the quarterly administrative expense claim.

4. Q. As with in-kind donations, will discounts for goods or services be eligible for reimbursement?
 - A. A discount cannot be used as match since it is not the actual cost; only the actual cost of the contribution can be used as the county match.

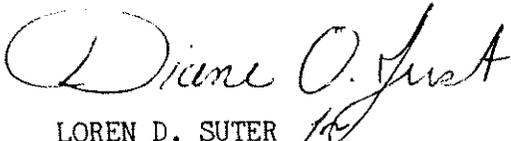
5. Q. Are cash rates for volunteers' hours set at \$10/hr. for regular volunteers; and \$30/hr. for professionals who volunteer? Is there room for differences in costs of services?
 - A. The rate to use when calculating cash rates for volunteer services is the rate that a county would pay for the services provided if the person was a regular employee. Rates would vary depending on the service provided.

6. Q. Suppose a community-based program receives funding from federal sources; and funding from other sources. If this program provided donated or in-kind services to a county ILP would that donation be reimbursable?
 - A. A federally-funded donation received from a community-based organization (CBO) cannot be used as a match for ILP. If the CBO can document that the donation was paid for by non-federal funds, the donation may be used as the county match.

7. Q. County fiscal years are typically July 1 to June 30. The ILP is funded on a Federal Fiscal Year basis October 1 through September 30. When it comes to reimbursement based on amount of donated cash, in-kind services, or goods, will counties need any specific language to identify the budget year?
- A. The value of the contribution is applicable to the quarter in which the contribution was received. For example, if a CBO donates personal services valued at \$500 in June, the CWD reports the \$500 as an expenditure on the April-June quarter administrative expense claim. The CWD must document the accounting period in which the contribution was received.

Counties may begin claiming match during the first quarter of FFY 1992. After the first quarter's claims are compiled, we will review counties' use of the match options to determine whether or not a reallocation of the additional federal share is necessary.

Questions regarding ILP issues should be directed to your Child Welfare Services Operations consultant, at (916) 657-2189. Fiscal claiming questions may be directed to the Fiscal Policy and Procedures Bureau, Administrative Policy Unit, at (916) 657-3440. Questions regarding county contracts for ILP services may be directed to the Contracts Bureau, at (916) 657-1889.



LOREN D. SUTER
Deputy Director
Adult and Family Services

Attachments

cc: County Welfare Directors' Association
County ILP Coordinator

FOSTER CARE CHILDREN AGES 16 THROUGH 18, FEDERAL AND NONFED ELIGIBLE
 REPORTED TO THE FOSTER CARE INFORMATION SYSTEM
 DURING CALENDAR YEAR ENDED DECEMBER 1990
 WITH INDEPENDENT LIVING PROGRAM ALLOCATION AMOUNTS

16:15 THURSDAY, MARCH 28, 1991

COUNTY	CASES	PERCENT	BASIC ALLOCATION	TENTATIVE ADDITIONAL ALLOCATION
STATEWIDE	16,871	100.0	\$7,034,000	\$2,674,667
ALAMEDA	16,878	5.2	\$366,063	\$139,195
AMADOR	9	0.1	\$3,752	\$1,427
BUTTE	194	1.1	\$80,884	\$30,756
CALAVERAS	24	0.1	\$10,006	\$3,805
COLUSA	15	0.1	\$6,254	\$2,378
CONTRA COSTA	565	3.3	\$235,565	\$89,573
DEL NORTE	44	0.3	\$18,345	\$6,976
EL DORADO	73	0.4	\$30,436	\$11,573
FRESNO	320	1.9	\$133,417	\$50,732
GLENN	32	0.2	\$13,342	\$5,073
HUMBOLDT	124	0.7	\$51,699	\$19,659
IMPERIAL	62	0.4	\$25,850	\$9,829
INYO	18	0.1	\$7,505	\$2,854
KERN	277	1.6	\$115,489	\$43,915
KINGS	66	0.4	\$27,517	\$10,463
LAKE	45	0.3	\$18,762	\$7,134
LASSEN	24	0.1	\$10,006	\$3,805
LOS ANGELES	4,715	27.9	\$1,965,818	\$747,499
MADERA	67	0.4	\$27,934	\$10,622
MARIN	82	0.5	\$34,188	\$13,000
MARIPOSA	20	0.1	\$8,339	\$3,171
MENDOCINO	75	0.4	\$31,270	\$11,890
MERCED	189	1.1	\$78,799	\$29,963
MODOC	4	0.0	\$1,668	\$634
MONO	13	0.1	\$5,420	\$2,061
MONTEREY	162	1.0	\$67,542	\$25,683
NAPA	95	0.6	\$39,608	\$15,061
NEVADA	44	0.3	\$18,345	\$6,976
ORANGE	704	4.2	\$293,518	\$111,610
PLACER	91	0.5	\$37,940	\$14,427
PLUMAS	39	0.2	\$16,260	\$6,183
RIVERSIDE	715	4.2	\$298,104	\$113,354
SACRAMENTO	615	3.6	\$256,411	\$97,500
SAN BENITO	12	0.1	\$5,003	\$1,902
SAN BERNARDINO	987	5.9	\$411,508	\$156,475
SAN DIEGO	1,274	7.6	\$531,167	\$201,975
SAN FRANCISCO	614	3.6	\$255,994	\$97,341
SAN JOAQUIN	466	2.8	\$194,289	\$73,878
SAN LUIS OBISPO	154	0.9	\$64,207	\$24,415
SAN MATEO	264	1.6	\$110,069	\$41,854
SANTA BARBARA	155	0.9	\$64,624	\$24,573
SANTA CLARA	676	4.0	\$281,844	\$107,171
SANTA CRUZ	124	0.7	\$51,699	\$19,659
SHASTA	129	0.8	\$53,784	\$20,451
SIERRA	11	0.1	\$4,586	\$1,744
SISKIYOU	50	0.3	\$20,846	\$7,927
SOLANO	333	2.0	\$138,837	\$52,793
SONOMA	162	1.0	\$67,542	\$25,683
STANISLAUS	214	1.3	\$89,223	\$33,927

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16:15 THURSDAY, MARCH 28, 1991

COUNTY	CASES	PERCENT	BASIC ALLOCATION	TENTATIVE ADDITIONAL ALLOCATION
SUTTER	30	0.2	\$12,508	\$4,756
TEHAMA	72	0.4	\$30,019	\$11,415
TRINITY	16	0.1	\$6,671	\$2,537
TULARE	383	2.3	\$159,684	\$60,719
TUOLUMNE	30	0.2	\$12,508	\$4,756
VENTURA	179	1.1	\$74,630	\$28,378
YOLO	89	0.5	\$37,107	\$14,110
YUBA	47	0.3	\$19,596	\$7,451

§ 92.24

cating to individual projects or programs the value of the contributions.

(iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:

(A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or

(B) A cost savings to the grantee or subgrantee.

(iv) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(c) *Valuation of donated services—*

(1) *Volunteer services.* Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

(2) *Employees of other organizations.* When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) of this section applies.

(d) *Valuation of third party donated supplies and loaned equipment or space.* (1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

(2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

45 CFR Subtitle A (10-1-89 Edition)

(e) *Valuation of third party donated equipment, buildings, and land.* If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

(1) *Awards for capital expenditures.* If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching.

(2) *Other awards.* If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2)(i) and (ii) of this section apply:

(i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost-sharing or matching.

(ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in § 92.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

(f) *Valuation of grantee or subgrantee donated real property for construction/acquisition.* If a grantee or subgrantee donates real property for construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost sharing or matching.

(g) *Appraisal of real property.* In some cases under paragraphs (d), (e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rental requirement will also be imposed by the grantee on subgrantees.

§ 92.25 Program income.

(a) *General.* Grantees are encouraged to earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc., and interest earned on any of them.

(b) *Definition of program income.* Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the effective date of the award reflected in the financial report.

(c) *Cost of generating program income.* If authorized by Federal regulations or the grant agreement, incident to the generation of program