

# REVENUE ENHANCEMENT

## Cost Allocation Plan

16-7-1

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**Policy** The Department of Children and Families' Revenue Enhancement Office (REO) shall be responsible for maintaining and updating the Title IV-E Cost Allocation Plan. The plan, which is subject to approval by federal administrators, authorizes the state to obtain federal funding for specific administrative and training costs.

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**Cost Allocation Plan** The Cost Allocation Plan shall specify how allowable costs are calculated. Factors included in this calculation are:

- the percentage of children who are eligible for Title IV-E reimbursement (compared with the total number of children in out-of-home care); and
- the percentage of DCF's activities that qualify for Title IV-E funding, as measured by the Random Moment in Time Study (RMTS).

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**Federal Financial Participation** Federal Financial Participation (FFP) is defined as the percentage for reimbursement of allowable program costs by the federal government. FFP is available at the rate of 50% for allowable administrative costs and 75% for allowable training costs.

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**Allowable Costs or Activities** The following types of costs or activities are allowable:

- the determination and redetermination of eligibility, administrative hearings and appeals, and other costs directly related to the administration of the foster care program;
- referrals to services;
- preparation for and participation in judicial determinations;
- placement of the child;
- development of the case plan;
- case reviews;
  
- case management and supervision;
- recruitment and licensing of foster homes and institutions;
- rate setting;
- a proportionate share of related agency overhead as determined by the Cost Allocation Plan;
- costs related to data collection and reporting; and
- short-term and long-term training at educational institutions and in-service training.

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### Claiming Procedures

Administrative and training costs shall be claimed quarterly according to the Cost Allocation Plan. The following procedures shall be followed by the Fiscal Administrative Supervisor:

- obtain the total quarterly agency spending as detailed in the Comptroller's monthly expenditure report;
  - assign DCF spending to cost pools as specified in the Cost Allocation Plan;
  - obtain fringe benefit costs from the Comptroller to assign total overhead costs;
  - obtain other DCF overhead costs that are paid by agencies other than DCF, including the DCF portion of the Statewide Cost Allocation costs and the Court Monitor costs;
  - compile the results of the Random Moment in Time Study; and
  - compile the numbers of children eligible for Title IV-E reimbursement and those children not eligible for Title IV-E reimbursement.
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