

ACF Program Flexibilities on IT and PPE to support State, Local and Tribal Human Services Workforce during COVID-19 Response

This document is geared towards State and Tribal human services leaders. It provides information on ACF funding flexibilities for supporting a virtual workforce, and providing emergency personal protective equipment for staff working directly with clients. Information is also provided on any caps on administrative expenditures.

Mandatory Programs

Child Care Development Fund (CCDF)	
Administrative Cost Cap	Administrative expenditures are generally subject to a cap (5% for States and Territories, and 15% for Tribes), but CCDF regulations exempt the "establishment and maintenance of computerized child care information systems" from the cap. (45 CFR 98.54(b)(1)).
Virtual Workforce (IT)	State, Territory, and Tribal CCDF Lead Agencies may use CCDF funds on expenses necessary to administer the CCDF program, including IT infrastructure for eligibility determinations, data reporting, and other administrative functions. If any IT is used by other programs in addition to CCDF, costs must be allocated.
Personal Protective Equipment (PPE)	State, Territory, and Tribal CCDF Lead Agencies may use CCDF funds for PPE for staff of the Lead Agency or other agencies engaged in the administration and implementation of the CCDF program. CCDF regulations indicate that funds can be used for "goods and services required for the administration of the program, including rental or purchase of equipment, utilities, and office supplies" (45 CFR 98.54(a)(5)). The purchase of PPE for Lead Agency or other administrative staff (e.g., eligibility workers) would be considered an administrative expense subject to the administrative cost cap at 45 CFR 98.54(a)--which is 5% for States and Territories and 15% for Tribes. CCDF Lead Agencies may also use CCDF funds to purchase PPE for staff of child care providers; such costs would be considered quality expenditures under 45 CFR 98.53, rather than administrative costs.

Child Welfare (Title IV-B and Title IV-E)	
Administrative Cost Cap	There is no cap on administrative expenditures.
Virtual Workforce (IT)	<p>The purchase and operation of cell phones for children and youth in foster care, their parents, or foster parents is an allowable cost under title IV-B and/or the John H. Chafee Foster Care Program for Successful Transition to Adulthood (Chafee) as long as the costs are necessary to fulfill one or more program purposes in §422 (relating to the state plan for child welfare services under title IV-B, subpart 1), §432 (relating to the state plan for child welfare service under title IV-B, subpart 2) and/or §477 (relating to Chafee program purposes) of the Act. For example, access to a cell phone for a youth receiving Chafee services may be determined as necessary if it will either facilitate participation in program services or enhance the effectiveness of the services in transitioning him/her to adulthood. The purchase of a cell phone for a parent or foster parent can meet a title IV-B program purpose if it is determined that it will facilitate needed communications for case management purposes between such an individual and the agency caseworker, or allow a parent to participate in a remotely-located court hearing or visitation with the child. Additionally, the recently enacted Coronavirus Aid, Relief, and Economic Security Act (Public Law (P.L.) 116-136) authorized additional funding under Title IV-B, subpart 1 “to prevent, prepare for, and respond to coronavirus, domestically or internationally.” In order to claim Federal financial participation (FFP) for these costs, the agency must meet specific conditions as outlined in 45 CFR Part 75 described below:</p> <ul style="list-style-type: none"> • Identify whether the purchase constitutes supplies or equipment as per applicable definitions at 45 CFR § 75.2. • If classified as supplies, regulatory provisions regarding use and disposal must be considered (equipment discussed below) (45 CFR § 75.321). • Assure that any procurement meets applicable state/tribal policies and procedures used for procurements made with non-Federal funds (45 CFR § 75.326). • Address whether use of the cell phones will continue to serve a program purpose over time and either recover or repurpose the use of these devices when a program purpose is no longer served. • Assure that purchase and operation costs are appropriately cost allocated to all benefiting programs as per applicable regulations at 45 CFR § 75.405 and § 75.453. <p>Used Equipment: When equipment funded by the Department of Health and Human Services (HHS) has reached the end of its useful life, the Title IV-E agency may use the items in other activities funded by the original program or other HHS programs (see disposition rules for equipment at 45 CFR § 95.707 and § 75.320). Title IV-E agencies may dispose of this equipment by giving it to other children or youth in foster care, their parents or foster parents being served under title IV-B or Chafee, as deemed appropriate and beneficial.</p>
Personal Protective Equipment (PPE)	PPE used by child welfare caseworkers to minimize exposure to COVID-19 is an allowable case management administrative cost under Title IV-E of the Act (45 CFR §1356.60(c)(2)). Title IV-E agencies must allocate such costs to all benefiting programs.

In addition, PPE is an allowable expenditure of Title IV-B funds for program purposes such as caseworker visits (§422(b)(17) of the Act and for states, §424(f) of the Act) by both state and Tribal Title IV-B agencies. Under Title IV-B, the purchase of PPE for providers such as foster parents, kinship providers and staff of child care institutions may be allowable if it fits within one of the purposes outlined in the statute (§421 of the Act) and may be allowable under Title IV-B, subpart 2 if it is consistent with one of the four service categories. Additionally, P.L. 116-136 authorized additional funding under Title IV-B, subpart 1 “to prevent, prepare for, and respond to coronavirus, domestically or internationally.” States and Tribal Title IV-B agencies must also consider whether the activity is consistent with 45 CFR §1357, grant regulations and OMB Circular A-87 (a cost must be both “necessary and reasonable”). To the extent that providing PPE such as masks and gloves to providers fits within the Title IV-B subpart 1 and 2 purposes, it may be allowable.

Temporary Assistance for Needy Families (TANF)

<p>Administrative Cost Cap</p>	<p>A state may not spend more than 15 percent of its adjusted state family assistance grant (defined at 45 CFR 260.30) on administrative costs. (45 CFR 263.13(a)(i)). Administrative costs are defined at 45 CFR 263.0(b). Administrative costs for activities funded through a state’s MOE expenditures may not exceed 15 percent of the total amount of countable expenditures for the fiscal year (263.2(a)(5)(i)). Thus, federal and state MOE expenditures in TANF for administrative costs are each limited to 15 percent.</p> <p>For most tribal programs (i.e., those that have been operating for three years or more) ACF will negotiate a limitation on administrative costs with each Tribal TANF applicant individually based on the applicant’s proposed administrative cost allocation. As negotiated, a tribal TANF grantee may not expend more than 25 percent of its grant for administrative costs (45 CFR 286.50(c)). Administrative costs for Tribal Programs are defined at 45 CFR 286.5. Indirect costs are part of the total administrative costs (45 CFR 286.55).</p> <p>For both states and tribes, administrative costs exclude information technology (IT) and computerization needed for tracking and monitoring of TANF requirements as well as eligibility and enrollment for TANF recipients (45 CFR 263.0(b)(2)(xi) and 45 CFR 286.5). Thus, IT costs may not be subject to the administrative expenditures limitation but it will depend on the nature of those costs. Similarly, PPE might be an administrative cost, or PPE might constitute a program cost if PPE is necessary for direct program services.</p>
<p>Virtual Workforce (IT)</p>	<p>To the extent that IT infrastructure is necessary for the implementation of the TANF program, TANF or MOE funds may be used for those expenses. If the purchase of IT is made in conjunction with other human services programs, the grantee must use a benefiting program cost allocation method consistent with 45 CFR 75(E). (45 CFR 263.14; 45 CFR 75.416).</p>
<p>Personal Protective Equipment (PPE)</p>	<p>To the extent Personal Protective Equipment (PPE) are necessary for the implementation of the TANF program, TANF or MOE funds may be used for those expenses. If the purchase of PPE is made in conjunction with other human services programs, the grantee must use a benefiting program cost allocation method consistent with 45 CFR 75(E). (45 CFR 263.14; 45 CFR 75.416).</p>

Child Support Enforcement (Title IV-D)	
Administrative Cost Cap	There is no cap on administrative expenditures.
Virtual Workforce (IT)	The following examples are considered allowable and reasonable in operating a title IV-D program during the COVID-19 disaster time period: temporary mobile phones for teleworking staff to allow for customer communications and mobile hot spot connectivity; and purchasing laptops for teleworking staff to use for connectivity. 45 CFR 304.20(a) Federal financial participation is available at the applicable matching rate for (1) necessary and reasonable expenditures for child support services and activities to carry out the State Title IV-D plan. 45 CFR 309.145(i) – Federal funds are available for costs of operating a Tribal IV-D program under an approved Tribal IV-D application carried out under § 309.65(a) of this part, provided that such costs are determined by the Secretary to be reasonable, necessary, and allocable to the program. Allowable activities and costs include: (i) staffing and equipment that are directly related to operating a Tribal IV-D program.
Personal Protective Equipment (PPE)	Personal protective equipment (PPE), such as masks, for staff is an example of an allowable and reasonable cost in operating a Title IV-D program during the COVID-19 disaster time period. The same regulations cited for IT apply to the use of funds for PPE by State and Tribal IV-D programs.

Discretionary Programs

Social Services Block Grant (SSBG)	
Virtual Workforce (IT) & Personal Protective Equipment (PPE)	SSBG program funds can be used for IT and PPE, as long as the purpose of these services aligns to one of the five SSBG program goals. States must purchase IT and PPE in accordance to their procurement rules. The five goals are: (1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency; (2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency; (3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families; (4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and (5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Community Services Block Grant (CSBG)

Administrative Cost Cap	The administrative expenditure cap for States is 5 percent. There is no cap for Tribes. States can use up to 5 percent of their CSBG allotment for discretionary activities. Some states impose an administrative cost cap on eligible entities, though most do not.
Virtual Workforce (IT) & Personal Protective Equipment (PPE)	States have broad latitude to purchase what they need with the state portion of CSBG. IT and PPE equipment are allowable expenses. However, the state must spend these funds on allowable CSBG activities and services that support individuals, families and communities with low income. States must also follow their own rules for procurement. States cannot require eligible entities to pay for state activities with amounts allocated to the eligible entities. The eligible entities are permitted to purchase IT and PPE, however the cost principles do apply.

Low Income Home Energy Assistance Program (LIHEAP)

Administrative Cost Cap	The cap on administrative expenditures for States/Territories is 10 percent. The cap for Tribes is 20 percent of the first \$20,000, plus 10 percent of any funding in excess of \$20,000.
Virtual Workforce (IT) & Personal Protective Equipment (PPE)	The federal LIHEAP statute and regulations do not define “administrative costs”. LIHEAP grantees must use their statewide rules for administrative costs that they use for state funds. (45 CFR 96.30(a)). This means that to the extent grantees have LIHEAP specific costs that aren’t addressed by their statewide administrative cost definition, it would be up to the LIHEAP grantee to define where those LIHEAP specific costs fall. OCS published IM-2000-12 to help LIHEAP grantees understand options for defining administrative costs for LIHEAP.