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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 96 LCM-82

Date: September 12, 1996

Division: Management Support
and Quality
Improvement

TO: Local District Commissioners

SUBJECT: Limit Federal Reimbursement for Administrative Costs in the
Title IVA Program

ATTACHMENTS: NONE

With the enactment of Federal Welfare Reform (Personal Responsibility and Work Opportunity Reconciliation Act of 1996), the provision exists to limit Federal reimbursement for administrative costs (15% cap) in the Title IVA Program. In order to maximize reimbursement, consideration needs to be given to payment and claiming activity that will occur before the end of this Federal Fiscal Year which ends September 30, 1996.

Locals may wish to review liabilities and make expenditures by September 30, 1996 in an attempt to ensure Federal reimbursement. Examples of those expenditures which may exist that could be expedited include payments to the Retirement System, rental or building maintenance/operational payments, utility payments and other nonsalary costs.

Also assistance payments that may be expedited might deserve consideration, e.g., Day Care payments for IVA (ADC) recipients.

Our current understanding is that we would still have two years from the date of payment to claim Federal reimbursement, but expediting payments at a minimum, and ideally, claiming timely will help to facilitate Welfare Reform planning and maximize reimbursement.

Payments in accordance with standard business practice should only be made for services rendered and this memorandum should not be interpreted to mean advancing payments for services yet to be rendered that are not ordinary acceptable practices.

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If you have any fiscal questions, please contact the Bureau of Local Financial Operations:

Region 1-4 - Roland Levie at 1-800-343-8859, extension 4-7549 or dial direct at (518) 474-7549; USER ID# FMS001.

Region 5 - Marvin Gold at (212) 383-1733; USER ID# OFM270.

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