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Local Commissioners Memorandum

Section 1

Transmittal:	01 LCM 11	
To:	Local District Commissioners	
Issuing Division/Office:	Temporary and Disability Assistance Office of Finance	
Date:	August 29, 2001	
Subject:	Reserved Accommodations	
Contact Person(s):	Roland Levie (Region I-IV) 1-800-343-5589, Extension 4-7549 (USER ID fms001) Marvin Gold (Region V) 212-383-1733 (USER ID ofm270)	
Attachments:	None	
Attachment Available On – Line:	None	

Section 2

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to notify local districts of a change in reimbursement for Foster Care Reserved Accommodations.

II. Background

The Federal Department of Health and Human Services – Administration for Children and Families has notified our agency and the Office of Children and Family Services that effective with July 2001 expenditures, Title IV-E reimbursement will no longer be allowed for reserved accommodations for Foster Care.

Many local districts have, for many years, utilized the reserved accommodation payment mechanism to have in place emergency foster boarding homes for youth needing immediate placement. These costs were claimed on the Schedule D under the F-2 function under object of expense code 10. An appeal of this Federal decision, which HHS based on the activity not being allowable under the administrative activities reimbursable under Title IV-E, has been filed, but at least for the interim local districts will not be allowed to claim Title IV-E reimbursement for these costs effective with July 2001 claim submissions.

III. Program Implications

Effective with July 2001 claims, local districts are to continue to code reserved accommodation payments under object of expense code 10, and claim the costs on the Schedule D-2 on line 11 column 2 as Foster Care Non-IV-E. OTDA and OCFS, each quarter, will accumulate the costs claimed by the locals as object of expense code 10 and claim Title IV-E reimbursement based on the IV-E percentage generated from the Services Random Moment Study. This action will then allow the State to protect its right to timely file IV-E claims while the issue is further debated.

District claims for settlement purposes will be paid under State share reimbursement rules in effect.

Should we discover that local districts are directly claiming IV-E reimbursement through the Schedule D-2 process, local districts will be required to adjust their claims.

Issued By

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