Question: Are title IV-E administrative costs available under section 474(a)(6)(B)(i) of the Act for the cost of conducting an independent systematic review in order to complete the checklist for transitional payments?

Answer: Yes, if the state claims such costs pursuant to an approved five-year title IV-E prevention plan. Conducting an independent systematic review of the evidence of a prevention service or program for the purpose of completing the Checklist for Program or Service Designation for HHS Consideration and claiming transitional payments under the title IV-E prevention program is “necessary for the proper and efficient administration” of the title IV-E prevention plan (section 474(a)(6)(B)(i) of the Act). Consistent with 45 CFR 1356.20(d)(8)) and ACYF-CB-PI-18-09, a state may claim allowable title IV-E administrative costs beginning the first day of the fiscal quarter in which the state submits an approvable five-year prevention plan (but not prior to October 1, 2019). Any such costs must be allocated through an approved cost allocation plan. However, since the completion of an independent systematic review is a prerequisite solely for purposes of obtaining approval to claim title IV-E prevention Federal Financial Participation (FFP) for transitional payments, the title IV-E prevention program is the only benefitting program for the purposes of cost allocation. This means there is no need to allocate these costs to any other programs that may fund such a prevention service or program.