

Department of Family and Children Services Administrative Policies and Procedures Manual	Section: Administrative Part: 204 Page: 1 of 2 Date: May 2005
Title: Foster Care Funding – Sources and IV-E	

204. Foster Care Funding Sources

A. IV-E Foster Care:

1. IV-E is a federal funding source that pays for the costs associated with the care of children in placement (primarily per diem and Medicaid) and for administrative costs related to the state’s Foster Care Program (for example: case management, staff training, etc.).
2. Meeting the needs of a child in Foster Care requires significant financial resources. In other words, it costs the state a lot of money. Therefore, it is crucial that counties explore and exhaust all potential Federal funding sources available for children in Foster Care who meet certain eligibility requirements.
3. Children classified as IV-E must meet certain eligibility requirements such as parental deprivation and financial need. The eligibility requirements for IV-E Foster Care are related to the Aid to Families with Dependent Children (AFDC) Program. It is not related to Temporary Assistance to Needy families (TANF).
4. Maximizing federal participation in Foster Care costs has a significant financial benefit for the state. A correct IV-E determination on a child in Foster Care equals federal dollars for Georgia. An incorrect determination can cost the state dollars.

B. IV-B (Child Welfare Foster Care):

Title IV-B is a Federal child welfare block grant that provides funds to states for foster care expenses. These funds are limited and once the federal funds are expended, foster care expenses are paid primarily with state funds. A child must have a determination that he is **ineligible for IV-E** in order to be eligible for IV-B funding.

C. Initial:

Initial is a temporary funding source that is used when a child first enters foster care. Children are placed in “Initial” until a determination about IV-E eligibility can be made. Initial services are supported by Federal funds.

Department of Family and Children Services Administrative Policies and Procedures Manual	Section: Administrative Part: 204 Page: 1 of 2 Date: May 2005
Title: Foster Care Funding – Sources and IV-E	

D. Supplemental Security Income (SSI):

SSI is a Federal payment program for disabled individuals. The Social Security Administration administers the program and determines whether or not a child is eligible for SSI based on their disability and other criteria. When a child is in DFCS custody and receives SSI, the county department becomes the payee for the child's SSI check. Certain SSI children may also be eligible for IV-E payments.

E. Child Support:

Parents of children in foster care have an ongoing obligation to support their children. Parents may be financially responsible for expenses related to the care of their child in foster care and for providing health care coverage if it is available. Both parents of a child in foster care must be referred to Child Support Enforcement (CSE) unless the situation meets one of the exceptions noted in policy.

F. Medicaid:

The Medicaid program is a joint federal/state program that is authorized under the Social Security Act. Funds are available to states for providing medical services to eligible recipients and for reimbursing activities that support the administration of the Medicaid program. Children who are IV-E eligible and/or SSI eligible are automatically eligible for Medicaid. Children whose foster care is paid by state funds are not automatically eligible. A determination has to be awarded. Generally, most children in foster care are eligible for Medicaid.