

## ATTACHMENT C

### FEDERAL TANF FUNDING GUIDELINES AND CLAIMING INSTRUCTIONS

#### Federal TANF Funding Guidelines

##### Eligible Families/Individuals

- Funds may be used for families, children and non-custodial parents who are at or below 200% of the federal poverty level and otherwise meet the TANF categorical eligibility standards, including the Personal Responsibility and Work Opportunity Reconciliation Act, U.S. citizenship or qualified alien requirements. For the SFY 2024-25 allocation, the income standards are noted below:

#### 2024 HHS Poverty Guidelines<sup>1</sup>

Persons in Family Unit	Poverty Level	200% of Poverty
1	\$15,060	\$30,120
2	\$20,440	\$40,880
3	\$25,820	\$51,640
4	\$31,200	\$62,400
5	\$36,580	\$73,160
6	\$41,960	\$83,920
7	\$47,340	\$94,680
8	\$52,720	\$105,440
For each additional person, add	\$5,380	\$10,760

<sup>1</sup> SOURCE: *Federal Register*, Volume 88, January 11, 2024, pp. 2963.  
[Federal Register :: Annual Update of the HHS Poverty Guidelines](#)

### Allowable Costs

- Allowable services must meet the federal definition of non-assistance.
- The funds may not be used for assistance. Assistance<sup>2</sup> for federal purposes consists of any payment or benefit designed to meet ongoing basic needs – food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses. Assistance also includes supportive services, such as transportation or childcare provided to unemployed recipients. Assistance paid to a person receiving family assistance or non-cash safety net assistance/federal participation is counted toward the 60-month TANF time limit. Assistance counts toward the support offset.
- Ongoing transportation benefits are generally considered assistance, and only meet the definition of non-assistance if provided to an employed family or provided on a short-term nonrecurring basis to meet a specific episode of need that will not extend beyond four months. Funds may be utilized to provide transportation services only when those services are incidental to the services being provided to people receiving TANF-funded public assistance (PA).
- Funds cannot be used for medical services, domestic violence (DV) hotline services, DV outreach/educational services, and capital expenditures.

### Cost Allocation

- Costs must be allocated to benefiting programs when more than one program is involved in a particular activity, whether done by LDSS staff or contractor staff. Cost allocation rules are now contained in 2 CFR Part 200, which supersedes and streamlines prior federal guidance, including the *Fiscal Reference Manual* and federal Circular OMB A-87 for LDSSs; OMB Circular A-122; OMB Circular and OMB Circular A-21.

### Administrative Costs 15% Rule

- The maximum amount the state can spend on administration is 15% against the TANF Block Grant after transfer to other block grants. This limitation applies to the non-residential DV allocation for SFY 2023-24.
- The federal definition of “administration” is different from the state definition. When TANF costs are claimed to the federal government, they must be claimed according to the federal definition. Federal regulations at 45 CFR 263.0 exclude direct costs, including salaries and benefits, costs for staff providing program services and the direct administrative costs associated with providing these services (e.g., supplies, equipment, travel, postage, utilities, rental costs, and maintenance). For example, the cost of providing diversion benefits and services, providing program information to clients, screening and assessment, development of employability plans, work activities, post-employment services, work supports, and case management services, including those involving child welfare case management, except for performing the eligibility determinations, are all excluded from the definition, and should be claimed as program expenditures. Also excluded are costs for contracts devoted entirely to program activities.

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<sup>2</sup> 45 CFR 260.31.

- The definition specifically includes contract costs for general administration and coordination of programs (except those excluded totally or in part as program activities), all indirect and overhead costs, and activities related to eligibility determinations within the definition of administrative costs. The following are examples of administrative costs included in the regulations:
  - Salaries and benefits of staff performing administrative and coordination functions.
  - Preparation of program plans, budgets, and schedules.
  - Monitoring of programs and projects.
  - Fraud and abuse units.
  - Procurement activities.
  - Public relations.
  - Services related to accounting, litigation, audits, management of property, payroll, and personnel.
  - Costs for the goods and services required for administration of the program (supplies, equipment, travel postage, utilities, office rent, and maintenance), provided that such costs are not excluded as program services.
  - Travel costs incurred for official business and not excluded as program costs.
  - Management information systems not related to tracking and monitoring (such as state payroll staff).
  - Preparing reports and other documents.

Overhead and A-87 costs must be budgeted for any program for which LDSS staff is budgeted.