

Exhibit A

Specific Terms & Conditions Authorization to Use TANF Funding

The State Office of Children and Family Services (OCFS) and its Contractors are authorized by the NYS Legislature in accordance with the TANF State Plan to use TANF funds for “non-assistance” services.

Contractor agrees that all federal TANF funds shall be expended on “non-assistance” services as defined below in this section of the AGREEMENT to TANF eligible individuals and their families, as applicable, with the intent to achieve one or more of the following:

- provide services to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation and work;
- prevent and reduce the incidence of out-of-wedlock pregnancies; or
- encourage the formation and maintenance of two parent families.

TANF Definitions

The Contractor and the Office agree to the definitions of the following terms in the administration of TANF programs:

1. **Family Members:** All of the following persons **who live with** the applicant are family members and must be incorporated in determining and reporting the number of families served with TANF funding (and in determining income eligibility, if participant eligibility is required to be determined with regard to income):
 - the applicant’s husband or wife;
 - the applicant’s minor children and the siblings who are also minor children (including half and step-siblings);
 - if the applicant is a minor, the applicant’s parents and the applicant’s siblings who are minor children; and
 - the father or mother of any minor children listed above, even if the parent is not married.
2. **Custodial Parent:** Parent with legal and primary custody as granted by valid agreement between the parties or by court order or decree and with whom the child lives.
3. **Non-Custodial Parent:** The Parent who does not live with or have physical custody of the child, but is legally responsible for providing financial and medical support. The number of non-custodial parents served with TANF funds must be reported as part of the TANF monthly

data reporting requirement for programs where participant eligibility is required to be determined with regard to income.

4. **Income Eligible Persons (criteria used by programs classified as “With Regard to Income”):** Certain TANF-funded programs require that TANF funds be used solely “for eligible persons with income not exceeding 200 percent of the Federal poverty level.” Such persons are income eligible for TANF as defined by the New York State TANF State Plan. Income eligibility requirements apply only to programs classified as “with regard to income” under TANF regulations. Contractors who operate such “with regard” programs may use TANF funds solely to serve persons at or below 200% of poverty provided that participants meet all other TANF eligibility requirements and are not an alien or a fugitive felon. Such persons do not have to be in receipt of public assistance benefits.
5. **(Family) Gross Income:** For the purposes of determining participant income eligibility for TANF-funded programs as applicable, i.e., for use as eligibility criteria for “with regard to income” TANF programs, Gross Income is defined as income of family members before taxes and other deductions that include, but are not limited to:

- Wages, salary and tips from work
- Self-employment income (after business expenses)
- Social Security benefits
- Public assistance (Family Assistance, Safety Net Assistance)
- Unemployment compensation
- Workers’ compensation
- Supplemental Security Income (SSI)
- Child support payments received
- Alimony received
- Interest payments
- Other recurring income that is not excluded below

Income not included in definition of Gross Income

- Earned income of a minor child
- Adoption/foster care payments
- One-time loans, gifts, lump sum payments or other non-recurring income
- Child care subsidy payments

6. **Current Income:** Current income is income that has been or is expected to be received in the calendar month of the participant's application for TANF Services, and is expected to continue beyond this month.
7. **Assistance:** (Contractor shall **not** provide "assistance" as defined below to participants). Assistance for federal purposes consists of any payment or benefit designed to meet ongoing basic needs – food, clothing, shelter, utilities, household goods, personal care items, general incidental, and expenses. Assistance also includes supportive services such as **transportation** or **child care** provided to unemployed recipients. Assistance paid to a TANF recipient is counted toward the 60-month TANF time limit. Assistance counts toward the support offset. Payment types defined as assistance, when paid to a trackable person in a trackable case type (Family Assistance, Cash Safety Net Assistance (SNA), Non-Cash Safety Net Assistance/FP) will trigger time limit counts, be reported to DHHS as assistance, and be counted.
8. **Non-Assistance:** (Contract may provide certain "non-assistance" as defined below to participants). Non-assistance for federal purposes are benefits that are short-term, designated to meet a specific crisis of episode of need, not meeting recurrent or ongoing needs, and not extending beyond four months. In addition, non-assistance includes work subsidies and supportive services (transportation, child care) to employed recipients. Non-assistance paid to a TANF recipient does not count toward the TANF 60-month time limit. Non-assistance does not count toward the support offset. Payments made through EAF (including SNA/EAF) are not considered.

NOTE: Contractor is advised to consult the program specific requirements cited in this Appendix A for description of allowable and unallowable costs and specific guidance on the types of "non-assistance" services allowed to be offered using TANF funds under this AGREEMENT.

9. **Poverty Level:** The Federal Health and Human Services poverty guidelines that are published yearly.

***9. a - Poverty Level Guidelines** – The poverty level guidelines are a simplified version of the Federal Government's statistical poverty threshold used by the Bureau of the Census to prepare its statistical estimates of the number of persons and families in poverty. The poverty guidelines are used for administrative purposes such as in determining whether a person or family is financially eligible for assistance under a particular federal program. The poverty level guideline is calculated annually and released between February and March. OCFS provides this information to TANF-funded Contractors prior to June 1, the effective date the revised guidelines must be used by Contractors replace the prior year Poverty Level guidelines.*

10. **Public Assistance (PA):** Public Assistance is the "cash" assistance component of welfare. In New York State, public assistance includes Family Assistance, Safety New Assistance, and Emergency Assistance for Families, Emergency Safety Net Assistance and Emergency Assistance for Adults. PA is often referred to as "temporary assistance." A separate Medicaid eligibility determination must be made to receive Medicaid coverage.
11. **Minor Child:** A "minor child" is a child who is under 18 years of age or is under 19 years of age and attending secondary school (high school) or an equivalent level of vocational or technical training (for example, a BOCES program). In order for the minor child to be eligible

for TANF Services, the minor child must be living with a parent or other relative who is the primary caretaker of the child, or be in foster care with a plan to return home.

12. **Primary Caretaker:** The primary caretaker is the adult relative with whom a minor child lives, if the child does not live with his or her parent. The primary caretaker makes the majority of the decisions about the child's well-being.

13. **Qualified Alien:** Defined as an alien who:

has been lawfully admitted for permanent residence under the Immigration and Nationality Act (INA);

has been granted asylum under Section 208 of the INA;

has been admitted to the United States as a refugee under Section 207 of the INA (including Ameri-Asian immigrants admitted under the provision of Public Law 100-202);

has been paroled into the United States under Section 212(d) (5) of the INA for a period of at least one year;

has had deportation withheld under section 243 (h) or 241(b) (3) of the INA;

is a Cuban or Haitian entrant (as defined in Section 501(e) of the Refugee Education Assistance Act of 1980);

has been granted conditional entry pursuant to section 203(a)(7) of the INA; or has been determined by the social services district to be in need of Medicaid as a result of being battered or subject to extreme cruelty in the United States by a spouse or a parent, or by a member of the spouse or parent's family residing in the same household as the alien.

General Provisions for Administration of TANF-Funded Programs

1. Prior to receiving funds related to this AGREEMENT, Contractor and any and all subcontractors must meet all applicable State and Federal laws and regulations.
2. At the discretion of the Office, independent evaluation(s) may be conducted over the course of implementation of the AGREEMENT to determine the impact of programs as they relate to the above referenced desired outcomes.
3. The Cost Allocation Plan (Appendix B) must be completed according to instructions provided in Appendix B and submitted to OCFS as part of this AGREEMENT.
4. If an Indirect Cost Rate is used by the Contractor, the Contractor must provide documentation to OCFS of Federal funding source approval of the Indirect Cost Rate that provides sufficient detail of how the cost of administrative services is calculated and how such costs are distributed among Contractor sponsored programs and activities.
5. Contractor and any and all subcontractors are required to implement contractual services in compliance with applicable State and Federal law.

6. Contractor and any and all subcontractors are required to determine eligibility of all potential participants to be served in compliance with applicable State and Federal law. Potential participants of TANF programs will be required to complete a TANF Services Application Certification (TSAC). Contractor and any and all sub-contractors are required to certify participant eligibility, as required by OCFS. Applicants for said services and members of their respective families are not required to provide documentation of citizenship, resources, income or other eligibility items as part of the application process. Contractor and any and all subcontractor(s) will determine participant eligibility solely on the basis of information provided and self-attested by the applicant on the prescribed TSAC form, if applicable. All eligibility determinations will be subject to State and Federal audits. Services to be provided to eligible clients under this program are considered “non-assistance” services with short-term benefits not intended to meet recurring needs and not expected to extend beyond four months. TANF “non-assistance” services provided under the TANF program are not included in the calculation of the 60-month limit for TANF “assistance” recipients.
7. The Contractor and any and all subcontractors are required to use the appropriate Federal Poverty Standard in determining eligibility and must use the revised Poverty Standard when it becomes effective on June 1 of each year this AGREEMENT is in effect.
8. The Contractor and any and all subcontractors agrees that they will not use TANF funds to provide TANF services that constitute “cash assistance” or “assistance” to TANF eligible families.
9. The contractor and any and all subcontractors agree that they will not use TANF funding for any purpose identified as “unallowable” or “ineligible costs” in this Appendix A and in any other part of this AGREEMENT.
10. The Contractor and any and all subcontractors must accurately track, on a monthly basis and in compliance with reporting requirements of this AGREEMENT, TANF reporting information regarding the number of families and non-custodial parents served by the Contractor or subcontractor(s), as required by OCFS. On a quarterly basis, this data must be reported with monthly breakdowns of numbers served in compliance with reporting requirements of this AGREEMENT. TANF reporting information must be reported as prescribed by OCFS.
11. Said TANF reporting information must be reported using prescribed forms issued by OCFS. Failure to provide said information within the established reporting schedule may result in rejection of related claims for reimbursement and/or termination of this AGREEMENT at the discretion of OCFS.
12. The contractor and any subcontractors must accurately report on a quarterly basis and in compliance with the reporting requirements on the amount of TANF funds expended, using prescribed claim and expenditure forms issued by OCFS.
13. The Contractor and any and all subcontractors must complete all work as described in the Solicitation of Interest no later than the end of the initial contract period. Final claims must be submitted in accordance with OCFS requirements.
14. The Contractor and any and all subcontractors must maintain and preserve adequate files and records sufficient to meet applicable State and Federal law. Contractor and any and all subcontractors shall make all program and financial records available for inspection, review

and copying upon request by officials, employed or retained by the State, their authorized representatives, and appropriate officials from the Federal government for a period of six (6) years after the final use of funds provided under this AGREEMENT or until the conclusion of any litigation involving such records.

15. Payments and future funding are contingent on the availability of federal and/or State funding for projects to be conducted in accordance with this AGREEMENT.
16. Special TANF requirements:
 - a. Contractor and any and all subcontractors assures that services provided using TANF funds are primarily program in nature, and;
 - b. Contractor and any and all subcontractors shall develop and implement a methodology to attribute an appropriate share not to exceed 15% of the contract award for OCFS to administrative costs for contracts which include a mix of administrative and programmatic activities, and;
 - c. Contractor and subcontractor agree to take all reasonable steps to hold related administrative costs to a minimum.

Authorization to Use TANF Funding

1. The Contractor & Subcontractor Responsibilities in Determining TANF Eligibility

Prior to providing services, Contractors and any and all subcontractors shall individually certify all families served with TANF funds as having incomes under 200% of the federal poverty level. Specific information on the 200% of the federal poverty level criteria will be provided to the Contractor by the Office and will be effective June 1 of each contract year. Contractor shall notify any and all subcontractors of the poverty level criteria and the requirements for identifying eligible families under TANF rules and law.

Legally Responsible Relative: Only natural or adoptive parents and stepparents are legally responsible relatives. When the child is the recipient of services and the child does not live with a legally responsible relative (LRR), only the income of the child and his or her siblings and half-siblings must be counted. The income of the non-legally responsible relative does not count in determining TANF eligibility.

2. Verifying Family Categorical TANF Eligibility

The Contractor and any and all subcontractors shall assure that all families served using TANF funds must also meet the categorical requirements for TANF, as required by OCFS. This means that the family must include at least one child under the age of eighteen, or a pregnant woman. In addition, the child must live with an eligible caretaker relative. An eligible caretaker relative is a caretaker related to the child by blood, adoption or marriage.

- 1. Require all applicants for services (or legally responsible relative of applicant) to complete the Application for TANF Services form prescribed by the Office. Substitute forms will not be acceptable by the Office;**
- 2. Clearly identify all families as eligible prior to providing program services;**
- 3. Verify the family's categorical and income eligibility; and**
- 4. Maintain eligibility documentation for adult purposes.**

3. Procedure for Maintaining TANF Eligibility Records

The Contractor and any and all subcontractors shall maintain documentation of all participant TANF eligibility verification for audit purposes. Documentation that must be maintained includes all Applications for TANF Services forms, notations of caseworkers, records listing the documentation that was shown, logs with the date and time of telephone calls made to other agencies such as the local social services department, along with the person spoken to and the date.

4. TANF Reporting Requirements

The Contractor and any and all subcontractors shall provide quarterly, or if a waiver has been granted monthly, reports on the amount of TANF funds expended and the number of TANF eligible families and number of non-custodial parents served using TANF funds on prescribed claim and expenditure forms issued by the Office and within timeframes prescribed by OCFS.

Non-Allowable and Allowable Costs Applicable to TANF

The Contractor and any and all subcontractors are authorized to use TANF funds under this AGREEMENT only to provide TANF services that constitute “non-assistance” to TANF eligible families and is precluded from using TANF funds to provide “cash assistance” or “assistance” as defined in federal law or regulation, or any “unallowable” or “ineligible” costs as set forth in Federal or State law or regulations or in this Appendix or in any other part of this AGREEMENT.

Distinguishing “Assistance” vs. “Non-Assistance” and “Allowable” vs. “Unallowable” Costs for TANF Programs

“**Assistance**” consists of benefits that are designed to meet a family’s on-going basic needs (food, clothing, shelter, utilities, personal care items, household goods and general incidentals) and such supportive services as transportation and child care for families who are not employed. The funds provided under the AGREEMENT may not be used for any benefits or services that meet the definition of “assistance.” General education services and medical services also may not be provided under this grant; provided, however, TANF funds may be used for pre-pregnancy Family Planning Services if efforts to access such services by using other funding sources are not viable.

The funds provided under this AGREEMENT may only be used for services that meet the definition of “non-assistance.” “**Non-Assistance**” includes long-term, recurrent family preservation services such as case management, counseling, mediation services, and school-based support services. It also includes transportation and childcare services for employed families. In addition, some services that might otherwise be regarded as assistance, such as child care and transportation for unemployed families, may nevertheless be provided if they are non-recurring, short-term benefits that address a specific crisis situation and will not extend beyond four months. Non-recurring does not mean that the benefits cannot be provided more than once. However, the expectation at the time the benefits are granted is that the situation will not be repeated and the benefits will not be provided on a regular basis. For example, respite care might be given under the AGREEMENT for up to four months if necessitated by a specific crisis situation that is not expected to be repeated. Furthermore, childcare and transportation may be provided to unemployed families only if the services are incidental to the program and are not available from the social services district.

For TANF purposes, a medical service is a service that either can be provided only by or under the direct supervision of a medical professional or is claimed or claimable under the medical

assistance program. TANF funds may not be used for medical services. Conversely, TANF funds may be expended for an activity that meets ALL of the following conditions:

1. The activity serves a TANF purpose;
2. The activity is of a type that is generally provided by personnel who are not medical professionals and are not acting under direct supervision of medical professionals; and
3. The activity is not claimed under the medical assistance program and may not be so claimed.

A service is not medical service solely by a medical professional does directly supervise it (although the costs of the professional him or herself may be a medical service). Nor is a service a medical service just because a medical professional provides it, if the service is of a type that may be and generally is delivered by non-medical personnel. For example, if a counseling program is generally staffed by social workers, the fact that a nurse is a counselor does not render it a medical service.

The Following Provisions Apply to Contractors and Subcontractors Regarding Non-Allowable and Allowable Costs:

Non-Allowable Costs for TANF-Funded Projects

The Contractor and any and all subcontractor(s) agree that the following items constitute costs that are NOT eligible for reimbursement with TANF funds:

- Benefits defined as “assistance” under TANF regulations that are designed to meet a family’s on-going basic needs (food, clothing, shelter, utilities, personal care items; household goods and general incidentals);
- Capital expenditures such as acquisition, construction or structural renovation of facilities or purchase of real property;
- Advertising costs except for recruitment of project personnel, program outreach and recruitment of participants, or the procurement of scarce items;
- Entertainment costs including social activities (unless determined to be educational or curriculum related or otherwise TANF-eligible subject to pre-approval by OCFS);
- Interest costs, including costs incurred to borrow funds;
- Costs of organized fund raising (including lobbying of any type);
- Costs for dues, attendance at conferences or meetings of professional organizations, unless attendance is necessary in connection with the project and pre-approved by the Office. Costs approved by the Office for in-state and out-of-state travel to such conferences and meetings are subject to the reimbursement limits as issued by the Office of the State Comptroller;
- Costs for preparation of continuation agreements and other proposal development costs;
- Recurrent child care or transportation for unemployed families;
- Stipends to unemployed participants;
- Any commodity, service, training cost or participant testing currently reimbursed by the State or federal government;
- GED services or other educational instruction or services that are supported by other federal or state funds and available to the general public at no cost; and
- Medical services provided by or under the supervision of medical provider or claimable under Medicaid and insurance; provided, however, TANF funds may be used for:

Pre-pregnancy Family Planning Services if efforts to access such services by using other funding sources are not viable. Services for routine OB/GYN care or for other general health care services are not fundable.

Allowable Costs for TANF-Funded Projects

The Contractor agrees that TANF funds may be used, subject to the discretion of the Office, only for the following purposes:

- a. Long term, recurrent family preservation services including:
 - Counseling;
 - Home visits;
 - Crisis intervention services;
 - Support groups;
 - Parent or caretaker relative training;
 - Case management;
 - Mental health or drug assessments for caretakers that do not fit the criteria for medical services; and
 - Child care and transportation costs for employed families that are incidental to the program
 - And are not available through the social services district.

- b. Commodities and/or benefits to meet immediate family needs pertaining to prevention of placements, retention of children with their families and communities, and family self-sufficiency, that are short-term (having a duration of less than four (4) months **AND** that are non-recurrent in nature. Such benefits may be provided more than once to eligible participants if there is an expectation by the Contractor or subcontractor, at the time the commodities or services are provided, that the situation will not be repeated and that the particular benefits will not be provided on a regular basis thereafter such as:
 - Housing security deposits;
 - Car repairs;
 - Telephone installation costs;
 - Field trips; and
 - Child care and transportation costs for unemployed families that are incidental to the program and are not available through the social services district.

- c. Program support costs including:
 - Supplies needed for support groups or participant events;
 - Purchase of toys, books and other curriculum and educational materials directly related to achieving program goals;
 - Justifiable staff training and staff transportation costs; and
 - Minor renovations to the program site necessary for operation of the TANF-funded program to meet basic health and safety requirements or needs. Minor renovations must be pre-approved by the Office as reasonable and necessary and must comply with all applicable local, State and Federal building, fire and safety codes, standards and laws.

- d. Administrative costs that provide necessary support to the TANF-funded program if deemed to be reasonable by the Office provided the total administrative costs do not exceed any limit

on such costs set forth in the Solicitation of Interest. Administrative costs are defined as costs for the general administration and coordination of the program, including costs for administrative functions and all indirect (or overhead) costs. Examples of allowable administrative costs include:

- The salaries and benefits of staff performing administrative and coordination functions;
- Costs associated with the preparation of program plans, budgets and schedules;
- Costs involved in monitoring;
- Public relations (may not be related to fund-raising or lobbying);
- Services relating to accounting, litigation, audits, management of property, payroll and personnel; and
- Costs for the goods and services required for the delivery of the administrative functions listed above, such as the costs for supplies, equipment, travel, postage, utilities, rental and maintenance of office space.

Exhibit B

Description of Cost Allocation Methodology

1. A Cost Allocation Plan distributes the overhead costs associated with centrally provided Contractor services (i.e., purchasing, personnel, administration) to the Contractor's organizational sub-units that utilize such services.
2. The Contractor shall adhere to applicable Temporary Assistance to Needy Families (TANF) cost allocation principles and shall complete the attached *Description of Cost Allocation Methodology* form, including any mutually agreeable amendments to such form or instructions that may be prescribed by the Office from time to time.
3. Unless the Contractor submits a narrative description as described below, the *Description of Cost Allocation Methodology* form requires the signature of an independent accounting firm or another qualified auditor confirming that Management of the organization receiving TANF funds (Contractor) has informed the firm or auditor of the methods it intends to use to allocate administrative and programmatic costs to Federal Temporary Assistance for Needy Families (TANF) funds during the contract period. If implemented in the manner described by the organization to the independent public accountant, the cost allocation methodology will not violate Generally Accepted Accounting Principles and will satisfy the requirements of U. S. Office of Management and Budget Circulars A-122 for nonprofit organizations, A-21 for educational institutions, or A-87 for state and local governments.
NOTE: The requirement for signature of an independent firm or another qualified auditor is not applicable if the requirements for providing a narrative description as described below and in the attached are fulfilled by the Contractor.
4. If for any reason the Contractor does not obtain sign-off on the *Description of Cost Allocation Methodology* form by an accounting firm or qualified auditor, the Contractor must provide a narrative description of the cost allocation methodology to be used in administering the program. This narrative description must be submitted to the Office and may need to be approved by the New York State Division of the Budget, at its discretion, before the contract is finalized, program approval is granted and related reimbursement(s) is paid to the Contractor.
5. The allocation plan may not include allocation of any costs designated as ineligible or not allowed as cited in any part of this AGREEMENT.

STATEMENT ON COST ALLOCATION METHODOLOGY

NAME OF TANF-FUNDED PROGRAM: Settlement House Program
(NOTE: A separate form must be completed for each TANF-funded program.)

Management of () has advised (), as indicated below, of the methods it intends to use to allocate administrative and programmatic costs to Federal Temporary Assistance for Needy Families (TANF) funds during the contract period. If implemented in the manner described by the organization to the independent public accountant, the cost allocation methodology will not violate Generally Accepted Accounting Principles and will satisfy the requirements of U. S. Office of Management and Budget Circulars A-122 for nonprofit organizations, A-21 for educational institutions, or A-87 for state and local governments.

Administrative

- Conventional time distribution
- Random sampling
- Client counts
- Transaction counts
- Random time sampling
- Systematic work sampling
- Stratified work sampling
- Worker self-recorded work sampling

- Work measurement-time log systems
- Space/square footage
- Standardized equipment
- Other**

Programmatic

- Conventional time distribution
- Random sampling
- Client counts
- Transaction counts
- Random time sampling
- Systematic work sampling
- Stratified work sampling
- Worker self-recorded work sampling
- Work measurement-time log systems
- Space/square footage
- Standardized equipment
- Staff assigned to this program are working exclusively on this program and TANF is the only funding stream for this program*
- Other**

Please ensure that you have also checked an Administrative methodology for allocating common administrative (e.g., overhead and indirect) cost to the TANF program.

Please provide a description below of the methodology to be used if it does not fit one of the categories above

NOTE: At least one box should be checked under each column. Please see the attached for descriptions of the different methodologies. If more than one cost-allocation methodology is to be used in either category (administrative and/or programmatic), please provide an explanation below.

Signed: X _____ (original signature required)

Signature of independent public accounting firm or other qualified auditor who meets the criteria for independence as outlined in the U.S. General Accounting Office's Government Auditing Standards.

Printed Name:

Title:

Name of Firm:

Phone Number:

Date:

.....

Signed: X _____ (original signature required)

Signature of service provider's Executive Director/Chief Executive Officer or person responsible for representing the service provider in fiscal matters (e.g., Chief Financial Officer).

Printed Name:

Title:

Name of Service Provider:

Phone Number:

Date:

NARRATIVE OPTION: Certain procurements/applications allow your organization to submit a letter describing the cost-allocation methodology to be used in lieu of this form. Please consult the specific procurement/application or the State agency administering this program to determine if a narrative option is available for this program.