

Determining Allowable Maintenance and Administrative Rates when Contracting for less than the Maximum Allowable Rate.

You treat the Maintenance Portion and Administrative Portion as two per diems.

You must know the Provider is paying the full Maintenance Rate to the Foster Family. If not, what is the difference?

Then you determine the Allowable % for the Maintenance Rate and Administrative Rate.

****OFFICIAL USE ONLY****		
Projected Budget FY_2009/10	Title IV-E Allowable Maintenance FY_2009/10	Title IV-E Allowable Administrative FY_2009/10
28.75	28.75	
38.39		38.30
67.14	28.75	38.30
0.00	0.00	0.00

In this Example: Maintenance $(28.75/28.75 = 1.00)$ 100%
 Administrative $(38.30/38.39 = 0.9977)$ 99.77%

Once you know that the Maintenance rate is being paid completely to the Foster Family then you know the difference between the Maximum Allowable amount and the Contracted Amount is Administrative portion.

So, you would have to figure out the Administrative Allowable percent. Your contracted amount is \$67.00 and we know that all of the Maintenance amount is being paid out so \$28.75 is removed to get \$38.25 an Administrative amount. We would apply the Administrative percentage to come up with the Allowable Administrative portion. The percentage from this example (99.77%) applied to your Contracted Administrative portion gives you \$38.16 as your Allowable Administrative rate.

So you would complete the White Boxes in the graphic above with:
 Contracted Maintenance: \$28.75 Contracted Allowable Maintenance: \$28.75
 Contracted Administrative: \$38.25 Contracted Allowable Administrative: \$38.16