

**Attachment 2:
Methods of Determining Costs
_____ Cooperative Agency**

Note: This attachment must be modified and/or sections may be deleted to show the methodology used for the cooperating agency. Alternative methodologies may be used but must be documented as an attachment to the cooperative agreement.

Under 45 CFR 304.21(c), states have discretion with respect to the method of calculating eligible expenditures. However, any method used must account for the specific costs incurred on behalf of cases receiving IV-D services.

Depending upon the county practices, different methodologies may be appropriate to identify and document FFP-eligible costs for the various cooperating agencies. Pursuant to federal regulations, the amounts charged to the child support program by the cooperating agency must be reasonable and necessary to provide IV-D services. Amounts charged must also be reasonably assignable to IV-D services, and fully documented in the IV-D agency financial records.

Methodologies for Determining Costs for Staff and Non-salary Items

Actual Time Accounting

The cooperating agency will maintain detailed timesheets of actual time spent on IV-D activities. The detailed timesheets will include the actual dates, hours spent, activities performed, and IV-D case identifiers. *(Optional: Attached IV-D Activity Time Log may be used to support this method.)*

Procedures for Billing: The detailed timesheets will be provided to the child support agency by the _____th day of the month following the month that the activities were performed. The amount of hours reported on the detailed timesheets will be multiplied by the staff person's hourly productive rate to establish IV-D charges eligible for FFP for the following staff:

Staff:

Time Study

During two weeks of each calendar quarter, the cooperating agency staff that perform IV-D services will complete time studies of actual time spent on IV-D activities. The time study form will include the date and quarter-hour increments for each date, and the activities performed during those quarter-hourly increments. A IV-D case identifier or IV-D activity identifier must be included for all IV-D work performed. *(Optional: Attached IV-D Activity Time Log may be used to support this method.)*

Procedures for Billing: The time study documents will be submitted to the child support agency by the _____th day of each new calendar quarter. The ratio of actual work hours spent on IV-D activities by the staff person would be calculated. During the calendar year, by the _____th day of each month, the staff will provide a daily timesheet showing all hours actually worked for the previous month. The actual hours worked each month will be multiplied by IV-D time ratio as identified in the time study for the previous quarter. This will be multiplied by the staff person's hourly productive rate.

Staff:
