



## Reimbursement of expenses for functions of the Designated State Agency (DSA)

### Guidance for DD Councils

The Developmental Disabilities Assistance and Bill of Rights Act of 2000 (PL 106-402) provides language that allows a DD Council to, at the request of a State/Territory, to pay for expenditures that were necessary for the proper and efficient exercise of the functions of the designated State agency. The DD Act limits the expenditures to:

- ½ of the costs of the DSA necessary for its functions as the DSA, but limited to 5% of Federal funds available during the fiscal year or \$50,000 whichever is less [§124(c)(5)(B)(vi)].

#### Discussion:

In order for a Designated State Agency (DSA) to recoup expenses necessary for the “proper and efficient exercise of the functions of the designated state agency” (as related to the required functions necessary to support the DD Council which include: receive, account for and disburse funds), the DSA should demonstrate the type of function with the cost of the function. Those expenses should only be for functions necessary to carry out the responsibilities of the DSA. Please note: The total costs claimed by the DSA for its responsibilities as DSA should be (at a minimum) twice the amount the DSA is requesting from the Council.

*Example: A DSA is requesting \$50,000 from a DD Council to pay for expenses necessary to provide the required support services (receiving, accounting for, disbursing and reporting funds associated with the DD Council federal grant award). According to the restrictions set forth in the DD Act, the DSA would need to demonstrate that their total expenses for those functions were at least \$100,000 (and that the total amount meets the criteria of “necessary for the proper and efficient exercise of the functions of the DSA”).*

*Note: A DSA should not “bill” the Council for \$50,000.00 per grant award year (or 5% of the grant award, whichever is less) without providing justification of expenses. The DD Council should have documentation to support the expenditure and payment from federal funds.*

The Act also provides that to retain these funds, the non-federal share of those expenses must be at least equal to the amount of non-federal expenses provided for that purpose the preceding year, i.e., a “maintenance of effort” requirement. If the State share of those expenses goes down, the DSA may not be eligible to receive the federal share for those expenses for that year from DD funds. The DD Council should make sure the DSA is aware of this stipulation and the DD Council should monitor.

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