

**§ 263.13 Is there a limit on the amount of Federal TANF funds that a State may spend on administrative costs?**

(a)(i) Yes, a State may not spend more than 15 percent of the amount that it receives as its adjusted SFAG, or under other provisions of section 403 of the Act, on "administrative costs," as defined at §263.0(b).

(ii) Any violation of the limitation in paragraph (a)(i) of this section will constitute a misuse of funds under §263.11(b).

(b) Expenditures on the information technology and computerization needed for tracking and monitoring required by or under part IV-A of the Act do not count towards the limit specified in paragraph (a) of this section.

(1) This exclusion covers the costs for salaries and benefits of staff who develop, maintain, support or operate the portions of information technology or computer systems used for tracking and monitoring.

(2) It also covers the costs of contracts for development, maintenance, support, or operation of those portions of information technology or computer systems used for tracking or monitoring.

**Subpart C—What Rules Apply to Individual Development Accounts?**

**§ 263.20 What definitions apply to Individual Development Accounts (IDAs)?**

The following definitions apply with respect to IDAs:

*Date of acquisition* means the date on which a binding contract to obtain, construct, or reconstruct the new principal residence is entered into.

*Eligible educational institution* means an institution described in section 481(a)(1) or section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections were in effect on August 21, 1996. Also, an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4)) that is in any State (as defined in section 521(33) of such Act), as such sections were in effect on August 21, 1996.

*Individual Development Account (IDA)* means an account established by, or for, an individual who is eligible for assistance under the TANF program, to allow the individual to accumulate funds for specific purposes. Notwithstanding any other provision of law (other than the Internal Revenue Code of 1986), the funds in an IDA account must be disregarded in determining eligibility for, or the amount of, assistance in any Federal means-tested programs.

*Post-secondary educational expenses* means a student's tuition and fees required for the enrollment or attendance at an eligible educational institution, and required course fees, books, supplies, and equipment required at an eligible educational institution.

*Qualified acquisition costs* means the cost of obtaining, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

*Qualified business* means any business that does not contravene State law or public policy.

*Qualified business capitalization expenses* means business expenses pursuant to a qualified plan.

*Qualified entity* means a nonprofit, tax-exempt organization, or a State or local government agency that works cooperatively with a nonprofit, tax-exempt organization.

*Qualified expenditures* means expenses entailed in a qualified plan, including capital, plant equipment, working capital, and inventory expenses.

*Qualified first-time home buyer* means a taxpayer (and, if married, the taxpayer's spouse) who has not owned a principal residence during the three-year period ending on the date of acquisition of the new principal residence.

*Qualified plan* means a business plan that is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity. It includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and it may require the eligible recipient to obtain the assistance of an experienced entrepreneurial advisor.

*Qualified principal residence* means the place a qualified first-time home buyer