Let's talk about money

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Synopsis of article

This article outlines some of the most frequently asked financial questions by foster carers accessing the Irish Foster Care Association (IFCA) helpline. The list of issues presented in the article is not exhaustive – it includes the foster care allowance, pocket money, saving for children in foster care, mileage and the costs associated with seeking private therapeutic services. The Irish Foster Care Association's Support Service Annual Review (2016, 2017) is used as a means of highlighting the specific difficulties and issues presented by foster carers to IFCA. Recent financial policy and practice developments on the part of Tusla – Child and Family Agency and the Department of Social Protection provide the basis for any practical information provided.

Background

According to Kirton (2007), research into issues related to payments in foster care has been limited. However, research into foster-carers' *attitudes* to payment can be found as far back as the 1950s (ibid). Throughout the research a common theme emerges, which is a concern that a foster carer's motivation for fostering will be seen as being linked to money. These concerns and tensions have influenced the development of foster care allowances across jurisdictions (Colton et al, 2008). It is a contentious debate, born out of a concern as to whether foster carers are acting out of professional obligations or a sense of altruism (Hojer, 2001). Traditionally, foster care was seen as a vocational activity, and any emphasis on financial support could be seen to clash with this long-established notion (Triseliotis et al, 2000). Colton et al's (2006) international analysis of trends in foster care retention and recruitment indicates a move towards increasing professionalisation. As foster carers are required to participate in mandated training to deliver care to a high standard, it has been a challenge for both policy makers and foster carers to achieve the fine balance between financial support and remuneration and the promotion of a psychologically-informed response to a child's needs, within the dynamics of a family setting. The demands of foster care require a subtle overlap of public and private domains, of both work and family life (Kirton, 2001; Colton and Williams, 2006; Schofield et al, 2013).

Towards 2016, the National Social Partnership Agreement, states that *'every child should grow up in a family with access to sufficient resources, supports and services, to nurture and care for the child, and foster the child's development and full and equal participation in society'* (Department of the Taoiseach, 2006:41). The purpose of the foster care allowance is to meet the child's needs, it is not a wage or a salary. Currently, standard allowances are based on the costs associated with financially maintaining a child in a normal home environment. However, while in care a child may have additional needs. Research by Oldfield (1997) has shown that there are additional costs in fostering, when compared with the costs involved in supporting the carers' birth children. These costs usually stem from needs for additional services, additional clothing, special equipment, and so on. Some of the issues and problems may not be apparent at the time of placement and may manifest several years later. In comparison with their peers who are not in care, children in care are often in need of extensive and extended counselling (Scozzaro and Janikowski, 2015). Educational disadvantage is also a feature and the child may need extra tutoring or special programmes at school (Brady, 2017). A child's social skills may be underdeveloped and inclusion in after-school activities or other sporting or recreational activities may be encouraged as a way of helping them to develop their potential. Within the foster care system, social workers working with long-term foster carers are aware of the complexity and volume of tasks that carers undertake (Kirton, 2007; Schofield et al, 2008), and government recognises the need for financial assistance in carrying out this role. Section 14(2) of the *Child Care (Placement of Children in Foster Care) Regulations 1995* and the *Child Care (Placement of Children with Relatives) Regulations 1995* allows for the provision of financial or other assistance considered by the Child and Family Agency as necessary to assist foster carers to take care of a child placed with them. Further details are given in the *Guidance on the use of the Foster Care Allowance* (HSE, 2013b).

The IFCA helpline

The IFCA helpline aims to offer independent, objective advice to carers, and others involved in foster care, on a range of concerns relevant to foster care. Financial queries account for 7.6 per cent of the support calls received. These calls reveal that foster carers often experience feelings of anxiety and worry when addressing financial issues with fostering link workers. Foster carers calling the helpline have identified a fear of appearing mercenary as a barrier to requesting that their financial issues are addressed.

They report a lack of clarity around their financial obligations with regard to the foster care allowance and, in some cases, they personally fund additional activities and supports, which leave them out of pocket. The IFCA helpline offers foster carers clarity on financial matters related to their role, which can help them to navigate the complex network of procedures within the social welfare system and Tusla – Child and Family Agency with more confidence.

The Foster Care Allowance – some frequently queried issues

The Foster Care Allowance is provided for in the *Placement of Children in Foster Care Regulations (1995)*. In Ireland, foster care payments are intended to cover the cost of caring for the children and young people placed in a carer's home. The foster care allowance is not regarded as income to carers, therefore it is not reckonable income for income tax (as per Section 11, Finance Act 2005). The Foster Care Allowance includes the Clothing and Footwear Allowance.

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How much pocket money should I give my foster child?

The *Guidance on the purpose and use of the Foster Care Allowance* (HSE, 2013b) recognises that each child has different needs, and respects that each foster carer-led household may have different practices around pocket money. Therefore, there is no officially recommended set amount of pocket money. The Child and Family Agency advises that children over 12 years should be given some pocket money. This is to teach foster children the value of money and to encourage saving for personal items. The Child and Family Agency expects that, in relation to pocket money, foster children will be treated the same as the foster carer's birth children.

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There should be flexibility about how pocket money is paid and it should be the same as for the other children living in the home, considering the age and capacity of the child. The amount of pocket money should be discussed at the placement agreement meeting and clarified with the child from the start of the placement, in order to avoid this issue becoming the source of a dispute. As young people mature and are able to take more responsibility for budgeting their own money, discussions should take place between the young person and the foster carer and social work/aftercare team about how much money is given to the young person and what they should be providing for themselves out of this money. This should be agreed by all parties. Pocket money should be reviewed regularly and discussions which consider any changes should include the foster carers, the child and their social work and aftercare teams.

Should I save for my foster child?

The issue of savings is another aspect of the foster care allowance that can be a source of confusion and, at times, conflict. Questions from foster carers to the IFCA helpline include: *Do I have to save? – I have been told I have to save. How much do I save? Where do I save?*

The *Guidance on the use of the Foster Care Allowance* (HSE, 2013b) states that, in general, foster carers want to save for the foster children in their care, and many foster carers choose to do so. It appears that they are as motivated to set aside money for them to enable them to transition to independent living with some savings, or to be able to purchase more expensive items such as holidays, school trips, first cars, and so on, as they are for their birth children. While foster carers have a role in educating the children and young people in their care about how to manage their money and budget, and how to save for their future, saving for a child in care is not mandatory. There are no guidelines in place which address the issue of savings. Setting up a savings account for a child can be difficult as individual banks have different regulations for this process. Foster carers should research the available options to find the most suitable account for the requirements of the child/young person. Some of these are detailed overleaf.

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How do I open an account for a child?

Under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, a bank or credit union will be required to confirm the following information when opening an account for a child:

- Passport or birth certificate
- Permanent Irish address of the child
- Parent's utility bill or bank statement
- The Personal Public Service Number (PPSN) of the child.

The child's social worker should be able to assist with these required documents.

How to open accounts for children aged under seven years and children aged between seven and 12

You will usually have to open an account for children under seven years of age in the name of an adult, with the child's name noted.

There are usually three options available for opening an account– it can be set up in the following ways:

- in the name of the adult, with child's name attached
- in the name of both the adult and the child
- in the name of the child.

Deciding who the adult assigned to the bank account will be needs careful consideration and ongoing review. What is clear is that it is best to avoid saving for the fostered child in a foster carer's own bank or building society account, because if saving in this way, foster carers may be liable for gift and inheritance taxes on the savings at a later stage.

How are mileage expenses calculated? (for day-to-day, access and medical appointments)

Background

The IFCA helpline receives calls from foster carers who are travelling significant distances while carrying out the daily tasks of foster care: school runs, access visits, extracurricular activities and clubs, medical appointments and specialist services, and so on. All of these result in travel expenses. Compared with their city or town-based counterparts, rural carers face higher costs, both in financial terms and in terms of time spent 'on the road'. Social work department offices are often located in major towns and regional centres, thus requiring travel. In addition, access to, and availability of, specialist health and some educational services can be limited in many rural areas.

Day-to-day travel

Tusla's National Policy *Financial Payments in Foster Care, Aftercare and Supported Lodging* states that 'a foster carer who for any reason (as per care plan) travels in excess of 500 km per week is entitled to mileage' (2017:22). This policy defines as a normal event in a child's life such things as attending school, attending leisure activities, regular check-ups with GP and dentist, and so on. Generally, where foster carers are required to do a lot of travel in both urban and rural locations, additional financial support payments can be made to the foster carers to cover travel costs. Payment for travel expenses is granted where a foster carer is required to travel more than 500 km per week. It is important to note that only the excess of this journey will be paid, that is to say, if a foster carer travels 600 km per week, 100 km x €0.32 rate is payable, resulting in a payment of €32 per week.

Access visits

Foster carers are expected to support and, when agreed, to facilitate the child to attend access. Sometimes these visits are considerable distances away. When the access is 150 km or more per round trip, the allowance of €0.32 per km is paid. As for day to day expenses, payment is only made on the excess, that is to say, if a round trip is 200 km, then 50 km x €0.32 may be paid as an additional payment. In this case the amount paid would be €16. However, such payments can be reviewed on a case-by-case basis with the fostering support team.

Medical-related travel

If a foster carer is carrying out medical-related travel for their foster child, this expense is paid when travel in excess of 150 km per week is required. An allowance of €0.32 per km will be paid for each kilometre over and above 150 km. If a foster carer is required to make multiple trips related to medical appointments in one week, expenses may be claimed for all travel in excess of 150 km in this week.

Who pays for therapeutic and specialist support services?

Children in foster care use the public health system wherever possible. However, foster carers throughout Ireland have reported significant barriers to accessing public health services due to long waiting lists and geographical distances. This has meant significant delays for children requiring assessment, treatment and support. It is often reported to the IFCA helpline that the lack of timely access to services such as play therapy and teen counselling affects placement stability. Carers are often unable to assist the foster child with significant and unresolved issues of attachment, loss and anger without access to specialist therapeutic support (Scozzaro and Janikowski, 2015). The Child and Family Agency are financially responsible for the provision of any supports or assessments that have been agreed in the child's care plan. If these cannot be made available to the child or if the waiting list is lengthy, private assessments or supports may be commissioned by the social work team and the Child and Family Agency is responsible for the costs incurred (Tusla – Child and Family Agency, 2017). As the child is in the care of the agency, any associated assessment reports are the property of the agency. The foster carer should always seek approval and a clear understanding of whether and how they can engage specialist advice, assessments and treatment for the children in their care.

Conclusion

Foster carers are motivated to contact the IFCA helpline about financial matters in order to facilitate the highest standard of care for the children and young people in their care. It is clear that they require efficient and transparent reimbursement for out of pocket expenses, and clarity around 'thorny' issues such as pocket money, savings, mileage, and therapeutic services. It is hoped that this preliminary review of some of the financial issues will help foster carers to navigate the financial aspects of foster care.

About the author

Andrew holds a Degree in Social Studies (B.Sc.) and a Master (M.Sc.) in Applied Social Research from Trinity College Dublin. He has worked extensively with children and families with complex needs across the Dublin region and is currently the IFCA Support Service Coordinator. Previously, Andrew was a teaching assistant at the School of Social Work and Social Policy at Trinity College Dublin and held a Research Assistant post at the Children's Research Centre, TCD, exploring the experience of homelessness for young people leaving state care.

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