

Sources for Funding your Adoption & Title IV Benefits 2007

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Adopt Abroad Inc.
www.adopt-abroad.com**

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www.usadopteurope.com

The KMC Adoption support group consists of all volunteers and has no commercial affiliation. They have been providing adoption support services to Americans adopting while living abroad, for the past 19 years.

There are numerous subsidies, grants, loans and means of making your adoption affordable- but it finding and applying does take some work. The information provided is a general listing of sources available. This is meant for educational purposes only, Adopt Abroad, Inc in no way endorses any of the listings below. Clients are urged to check the information for accuracy.

TAX BENEFITS

Federal Tax

Federal Adoption Tax Credit: Up to **\$10,630.00** in qualifying expenses can be deducted from your federal taxes. This is per child. Check: www.irs.gov Look for publication **8839** -- Qualified Adoption Expenses. This form gets attached to your 1040. Credit is noted on line 50 of the 1040 form.

This is a straight dollar deduction. You write off your adoption expenses from your US Federal Tax. Benefits phases out at upper income brackets.

The credit applies to domestic and international adoptions. For international adoptions the credit can only be taken after the adoption is finalized. There are limits on income, if your adjusted gross income was greater than \$159,450.00, the credit starts to phase out. Families earning more than \$199,450.00 the credit is not available. See IRS Publication 968 for details.

The credit is \$10,630.00 per child; the amount remains the same even if you deduct expenses over several years. Make sure you keep track of all expenses. If you carry over the credit, make sure you keep all records of previous tax filings, credits, etc.

State Tax Benefits

Non-recurring Federal Adoption Program.

This is a one-time federal adoption subsidy, administered by the states in some states includes foreign-born children adopted by US citizens. Amounts vary by state up to **\$2000.00 per child** and require that the child meet state criteria for the subsidy.

Many States in addition also offer a State Tax Credit for adoption. Check your state's policy to determine what their eligibility requirements are.

Check the NACAC site: <http://www.nacac.org>

Military

Military Adoption Reimbursement Program: non-recurring subsidy program for full time military personnel. **Subsidy of up to \$2,000.00 PER child not exceeding \$5,000.00 in any calendar year.** Contact your Personnel Support Unit for more information

Military's Program for Persons with Disabilities. Military parents may be eligible to receive up to \$1,000 per month for a disabled or special needs adopted child. The Exceptional Family Member Program ensures that the adoptive parents of special needs children are assigned to bases or duty stations that can meet the child needs. Check www.nmfa.org

*If you are a member of the U.S. Army Reserves- check if your unit has any adoption benefits.

Employer

Employer Adoption Benefits: Many companies offer adoption benefits ranging from financial assistance to parental leave. Up to \$10,630.00 in adoption benefits are treated as non-taxable income. Check with your personnel department.

Grants

Gift of Adoption Fund- 877-905-2367 www.giftofadoption.org

JSW Adoption Foundation- 414 268 1386 www.swettfoundation.org

National Adoption Foundation- 203-791-3811. Offers grants and loan programs
www.nafadopt.org/LoanPrograms.htm (loans)

A Child's Desire Children's Charity-- www.achildsdesire.org

A Child Waits Foundation- 866-999-2445 www.achildwaits.org

Brittany's Hope –717 367-9614 www.brittanyshope.org

China Care Foundation- program for adoption of special needs children from China
203-861-6395 www.chinacare.org

His Kids Too, Inc. www.hiskidstoo.org

Lifetime Adoption www.lifetimefoundation.org

Miracle Moms --- miraclemoms@yahoo.com 513 521-6629 (infertile couples) www.miraclemoms.org

National Adoption Foundation- 203 791 3811. grants and loans www.nafadopt.org

Promise The Children ptcstaff@swbell.net www.promisethechildren.org

Dave Thomas Foundation- www.davethomasfoundationforadoption.org

Shaohannah's Hope 1-800-784-5361. www.shaohannahshope.org

The Shepherds Crook Ministries – P.O. Box 773 West Chester, OH 45071 www.shepardscrook.org

TMG Foundation—info@tmgfoundation.org

The Boatner Family Foundation- POB 132272 The Woodlands, TX 77393-2272

The Looc Foundation (for adoption of Chinese girls) info@looc.org

The Potters' Hand-- schopptalk@aol.com

Loans

A Child Waits- 914-962-0886 www.achildwaits.org. Loans based on financial need.

First Union Bank Adoption Loan Program- 888 314 5437 or 1-888-314-kids
Available to residents of certain states.

The National Adoption Foundation www.nafadopt.org

Grants: 203 791-3811

Unsecured loans: 800 626 2760

Secured loans: 800 841-1982

National Adoption Center- www.adopt.org

Religiously Affiliated Programs

Jacob Free Loan Foundation- <http://www.adoptachild.us/Financial.htm> 413-737-260. Interest free loans for Jewish members of the community.

Hebrew Free Loan Association-<http://www.hflasf.org/> Interest free loans for Jewish adults.

Jewish Free Loan Association 323 761 8830. <http://www.jfla.org/>

Family Foundation Funding

Foundations allow families to raise money from friends, family, employers, and throughout the community. When they donate money to your “foundation”, they will receive a tax deduction for their donation.

Note: Check if the money donated goes to your adoption, what the tax rulings are for that particular foundation and what administrative fees are charged.

- Notes from the NATIONAL HERITAGE FOUNDATION <http://www.nhf.org/> for their foundation funding program
- Children from less developed countries
- Under 10 years of age
- Clearly identified legitimate adoption
- Need to find 5 individuals who will donate \$100 to start the account
- And consider other fund raising possibilities
- 5% goes to the endowment fund at the NHF
- Plan to continue the fund raising.
- No double dipping
- Application fee of \$185.00
- If you do not follow through with the adoption funds remain at the NHF and go to another charitable cause
- Need to check with tax consultant if you can deduct donations to your own account
- Left over funds go

Child Adoption Funds- www.childadoptionfunds.org

Kingdom Kids Adoption Ministries- www.kkadoption.com 509 465-3520

Fund Raising Ideas

Anna Bears Adoption Fundraising <http://annabears0.tripod.com/>

A Mother's Love www.amotherslovefundraising.com

Jill Savage fund raising ideas: www.jillsavage.org

Other possibilities

1. home equity loans
2. borrow from family members
3. borrow from your 401k
4. credit card cash advances
5. life insurance loans
6. raise money through church and community support
7. check with any club or affiliation you belong to, some have programs
8. ask for donations of frequent flyer miles to cut some of the adoption costs
9. ask for a “baby shower” for items to be donated to the orphanages
10. contact the airlines and ask for reduced rates or waiver of fees to get your child
11. Civic organizations- Lions Club, Masons, Shriners.
12. Consider asking your local newspaper to do a human-interest story on your adoption.
13. We have seen sites mentioning creating a fund raising FOUNDATION for adoption at your local church. Please check the various sites regarding foundations and speak to your local clergy.

U.S. Foster Care Adoptions

Title IV Benefits (Foster Care Children)

Previously children who received benefits while in foster care lost them when they were adopted. To help encourage permanent homes for these children through adoption, the Title IV-E Adoption Assistance was created in 1980. The Title IV subsidy program helps to ensure that children who qualify for subsidies while in foster care, can continue to get services once they are permanently placed.

Congress gave the individual states flexibility in how they define special needs, the monthly assistance payments, how they determine the rates and what types of treatments they will cover. Some states are more generous in how they define special needs.

Special needs adoptions as defined by the federal government as a factor or condition that makes a child hard to place, such as age, sibling status, ethnic background, or physical, mental or emotional challenges. Often children defined as special needs are those who are separated from their birth family, live in foster care, are school aged, or have disabilities which require treatment- such as emotional scars, prenatal drug exposure, or genetic pre-conditions.

Many families who adopt feel that since they have benefits that will cover the child, they do not ask about Title IV benefits. Title IV subsidies are state programs that are available for the benefit of the child. Even if the child is eligible for Medicaid benefits, apply for Title IV!!

As the state budgets get leaner, the treatments Medicaid programs cover get cut. Title IV is a separate benefit. This could be helpful at some later date.

Check your state Title IV subsidy programs at: www.nacac.org adoption subsidies.

Title IV Benefits

1. How does your state define special needs? The most important factor. If your state has a broad definition, the more likely that the child can enter into the subsidy programs.
 2. Maximum monthly adoption assistance payments.
 3. Specialized adoption assistance rates- program for extreme needs Difficulty of Care (DOC) extra payments for any physical, emotional or medical handicaps.
 4. Eligibility for State Subsidized Medicaid- children who do not meet the eligibility requirements for state Title IV benefits may get state Medicaid.
 5. Nonrecurring Adoption Expense Reimbursement- Some states pay up to \$2000.00 in nonrecurring adoption expenses to families who adopt a special needs child.
 6. Special Service Subsidy- funds to help purchase special equipment such as orthodontia, day care, tutoring, counseling, speech therapy. *Ohio has the PASS program where families can apply for up to \$15,000.00 per child to cover costs.
 7. Respite Care- this program allows parents who adopt a special needs child to take a break from the stresses of parenting. Covers costs for specialized camps or daily activities.
 8. Residential Treatment- a benefit for short-term residential therapeutic programs where the children can receive intensive therapy to help them transition into the family.
 9. Deferred Subsidy Agreements** - many children in foster care have histories of abuse or neglect or medical conditions such as prenatal drug exposure. Often symptoms relating to these conditions are not seen at the time of adoption, but appear later. If the state has a “high risk” factor in their definition of special needs they can negotiate a “zero dollar agreement” or deferred agreement. Should the child need to access benefits in the future, the family can then negotiate a subsidy payment for the child based on the deferred agreement.
 10. Subsidized Guardianships- not a formal part of the Title IV benefits. This applies to children where parental rights have not been severed or have extreme medical needs.
 11. Use of Income to Determine Subsidy Amounts- states receive federal funding for their Title IV programs. Congress has determined that the subsidy amount is independent of the family income. ** Not all states adhere to this.
 12. Public and Private Agency Children- some states extend benefits to children who are adopted from private agencies as well as public.
 13. Subsidy for Children Over the Age of 18- many subsidy programs end at age 18. Due to the backgrounds of these children, many will still be in school at age 18. Extended benefits are helpful for vocational training and help encourage the adoption of older children.
 14. State or County Administration- Who administers and supervises the Title IV decisions? State administered programs are generally more beneficial because if a specific county has higher demands; they are more likely to limit the number of children entering the program.
- *** College tuition waivers—9 states offer a college tuition waiver program for children adopted from the foster care system.

Information taken from the North American Council on Adoptable Children. <http://www.nacac.org/>

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