§ 368-f. Reimbursement of costs under the early intervention program. 1. The department shall review claims for expenditures made by or on behalf of social services districts for the administration of the early intervention program as established under title II-A of article twenty-five of the public health law. If approved by the department, payment for such expenditures, which were made in accordance with this title and the regulations of the department, shall be made by payment to such district, which incurred the expenditure, either directly or by contract, of the amount of any federal funds properly received or to be received on account of such expenditures.

2. Claims for payment under this section shall be made in such form and manner, at such times, and for such periods as the department may require.

3. The department's liability for payment for such administrative expenditures made by or on behalf of districts under this section shall be limited solely to payment of the federal funds received, or to be received, on account of such expenditures. In the event of any subsequent disallowances or recoupment of such funds by a federal governmental agency, upon notification by the commissioner, the comptroller shall withhold or cause to be withheld the amount of such disallowance or recoupment from any moneys otherwise due the district, as state aid pursuant to any provision of law, and the comptroller shall transfer such amount to the credit of the department of social services medical assistance administration program - local assistance account.