

## INSTRUCTIONS FOR COMPLETION OF FORM ACF-696

### Financial Reporting Form for the Child Care and Development Fund

All States are required to complete and submit this report in accordance with these instructions on behalf of the State agency administering the Child Care and Development Fund.

Due Dates: This form must be submitted quarterly by January 31, April 30, July 31 and October 31.

**States must submit quarterly reports for each fiscal year until all funds are expended.**

Distribution: The original copy (with original signatures) must be submitted to: Administration for Children and Families, Office of Grants Management, Division of Mandatory Grants, OA/OGM/DMG, 370 L'Enfant Promenade, S.W., Washington, D.C. 20447. An additional copy must be submitted to the ACF Regional Administrator.

#### General Instructions.

- Round all entries to the nearest dollar. Omit cents. If .50 cents or more round up to the nearest dollar. If .49 cents or less round down to the nearest dollar.
- Enter State Name
- Enter the Fiscal Year (the award year) for which this report is being submitted. **Fiscal years will run simultaneously so it is important to indicate the year for which information is being reported.**
- Enter the Grant Document Number.
- Indicate whether this is a new report, a revision of a report previously submitted for the same period or a final report.
- Enter the ending date for the current quarter (the quarter just ended which constitutes the report of actual obligations or expenditures) and the ending date of next quarter (180 days or 2<sup>nd</sup> quarter after the reporting quarter, which estimates are being provided for on line 8).
- Enter at the top of column (B) the Federal Medical Assistance Percentage Rate used by the State.

**Columns:** All amounts reported in columns (A), (B), (C), and (D) must be actual obligations or expenditures made under the State's plan and in accordance with all applicable statutes and regulations. All amounts reported in the Estimates section are estimates of obligations or expenditures to be made during the quarter indicated based on the best information available to the State.

- Column (A): Mandatory Funds. - States must administer these funds in accordance with their State plan. These funds are 100% Federal funds and are available until expended.

- Column (B): Matching Funds. - States must administer these funds in accordance with their State plan. Matching funds are available provided the State: (1) obligates all of its Mandatory Funds by the end of the Federal fiscal year; and, (2) expends State funds in an amount that equals the State Maintenance of Effort (MOE) threshold for allowable child care activities. Matching funds must be matched by State expenditures that are in excess of the amount required to satisfy the MOE requirement. The applicable matching rate is the Federal Medical Assistance Percentage (FMAP) rate for the year in which the funds were awarded, regardless of when funds are expended. Federal and State Matching funds must be obligated by September 30th of the year in which funds are received. Obligations must be liquidated by September 30th of the following fiscal year.
- Column (C): Discretionary Funds. - States must administer these funds in accordance with their State plan. States must obligate these Federal funds by September 30 of the fiscal year immediately following the fiscal year in which they were awarded. States must liquidate obligations within one year after the end of the obligation period.
- Column (D): MOE - States must administer these funds in accordance with their State plan. Section 418(a)(2)(C) of the Social Security Act requires States to spend a specified amount of non-Federal funds on child care in order to claim Federal match from the Matching Fund. This State maintenance of effort (MOE) must be expended on allowable services or activities as described in the approved State Plan as appropriate, that meet the goals and purposes of the Act.

### **Cumulative Fiscal Year Totals**

**Line 1. Total.** Enter in columns (A) and (C) the cumulative expenditures of Mandatory and Discretionary funds made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (B) the cumulative total of both Federal and State expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (D) the State Maintenance of Effort (MOE) expenditures from October 1 of the fiscal year for which the report is being submitted through the quarter being reported. Additionally, in column (D) the 20% pre-K limitation will be strictly observed, and for purposes of determining if the CCDF MOE level is met, pre-K expenditures, as represented in the State's approved CCDF plan, will be counted only up to the allowable percentages provided in the regulations. Similarly, donated funds reported in column (D) must meet the requirements of the regulations. Additionally, States may choose to use Column (D) to report additional State expenditures on child care that are not required to meet MOE or matching thresholds but that meet the requirements for MOE. Finally, quality expenditures reported in the MOE in column (D) WILL NOT be counted towards the minimum expenditure amount required to be spent on quality activities from the Mandatory, Matching, and Discretionary funds.

Line 1 is equal to 1(a)+1(b)+1(c)+1(d)+1(e)+1(f)+1(g)+1(h).

**Line 1(a). Child Care Administration.** Enter in columns (A) and (C) the cumulative expenditures of Mandatory and Discretionary funds, respectively, for child care

administration from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (B) the cumulative total of both Federal and State expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (D) the cumulative total of State MOE expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. At the end of the liquidation period, no more than 5% of Line 1 (the sum of columns (A), (B), and (C)) can be claimed for this activity. Expenditures reported in column (D) are not subject to the 5% limitation.

**Line 1(b). Quality Activities Not Included in Earmarks.** Enter in columns (A) and (C) the cumulative expenditures of Mandatory and Discretionary funds, respectively, for child care quality activities from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (B) the cumulative total of both Federal and State expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (D) the cumulative total of State MOE expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. At the end of the liquidation period, no less than 4% of Line 1 (the sums of column (A), (B), and (C)) can be claimed for this activity.

**Line 1(c). Earmark to Infant and Toddler.** Enter in column (C) the cumulative Discretionary Fund expenditures for the Infant and Toddler child care Earmark from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

**Line 1(d). Earmark to Quality Expansion.** Enter in column (C) the cumulative Discretionary Fund expenditures for the Quality Expansion Earmark from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

**Line 1(e). Earmark to School-Age/Resource and Referral.** Enter in column (C) the cumulative Discretionary Fund expenditures for the School-Age/Resource and Referral Earmark from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

**Line 1(f). Other Earmarked Funds.** Enter in column (C) the cumulative Discretionary Fund expenditures for the other Earmarked funds from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

**NOTE (applies to Lines 1 (c), 1 (d), 1 (e), and 1 (f):** Attach to the 4<sup>th</sup> quarter submission of the current year's financial report (ACF-696) a narrative description of the activities funded with the earmarked funds. The narrative should outline the activities funded with CCDF earmarked funds for all appropriation years that were spent in the current Fiscal Year by the State.

**Line 1(g). Direct Services.** Enter in columns (A), and (C) the cumulative expenditures from the Mandatory and Discretionary funds, respectively, from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (B) the cumulative total of both Federal and State expenditures from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (D) the cumulative total of State MOE expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

**Line 1(h). Nondirect Services.** Enter in columns (A) and (C) the cumulative expenditures from Mandatory and Discretionary funds, respectively, made from October 1 of the fiscal year for which the report is being submitted through the current quarter reported. Enter in column (B) the cumulative total of both Federal and State expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (D) the cumulative total of State MOE expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

Line 1(h) is equal to 1(h)(1)+1(h)(2)+1(h)(3).

**Line 1(h)(1). Systems.** Enter in columns (A) and (C) the cumulative expenditures from Mandatory and Discretionary funds, respectively, made from October 1 of the fiscal year for which the report is being submitted through the current quarter reported. Enter in column (B) the cumulative total of both Federal and State expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (D) the cumulative total of State MOE expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

**Line 1(h)(2). Certificate Program Cost / Eligibility Determination.** Enter in columns (A) and (C) the cumulative expenditures from the Mandatory and Discretionary funds, respectively, made from October 1 of the fiscal year for which the report is being submitted through the current quarter reported. Enter in column (B) the cumulative total of both Federal and State expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (D) the cumulative total of State MOE expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

**Line 1(h)(3). All Other Nondirect Services.** Enter in columns (A) and (C) the cumulative expenditures from Mandatory and Discretionary funds, respectively, made from October 1 of the fiscal year for which the report is being submitted through the current quarter reported. Enter in column (B) the cumulative total of both Federal and State expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. Enter in column (D) the cumulative total of State MOE expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

**Line 2. State Share of Expenditures.** Enter in column (B) cumulative State expenditures for the fiscal year for which the report is being submitted at the specified FMAP rate. Enter the column (D) cumulative State MOE expenditures for the fiscal year for which the report is being submitted. Only columns (B) and (D) are completed. No entry is required in columns (A) and (C). Line 2(D) will be the same number as entered in line 1(D).

Line 2 is equal to 2(a)+2(b)+2(c).

**Line 2(a). Regular.** Enter in column (B) cumulative State expenditures for the fiscal year for which the report is being submitted. Enter the column (D) cumulative State MOE expenditures for the fiscal year for which the report is being submitted. Only columns (B) and (D) are completed. No entry is required in columns (A) and (C). All other public funds used by the State as the State share are to be included in this category. These could include, for example, certified/transferred funds from public schools (non pre-K), city and county governments, and Community Development Block grant funds.

**Line 2(b). Private Donated Funds.** Enter in column (B) cumulative State expenditures for the fiscal year for which the report is being submitted. Enter the column (D) cumulative State MOE expenditures for the fiscal year for which the report is being submitted. Only columns (B) and (D) are completed. No entry is required in columns (A) and (C).

**Line 2(c). Pre-K.** Enter in column (B) cumulative State expenditures for the fiscal year for which the report is being submitted. Enter the column (D) cumulative State MOE expenditures for the fiscal year for which the report is being submitted. Only columns (B) and (D) are completed. No entry is required in columns (A) and (C). A State may use public Pre-K funds for up to 20% of the funds for State match and for up to 20% of the funds for MOE expenditures. The 20% assessment will take place at the end of the applicable expenditure period, and not by quarter.

**Line 3. Federal Share of Expenditures.** Enter the cumulative Federal share of funds expended for the FY for which the report is being submitted. In columns (A) and (C) this number will be the same as that on line 1.

**Line 4. Federal Share of Unliquidated Obligations.** Enter the cumulative amount of obligated Federal funds that have not been liquidated for the FY.

**Line 5. Awarded.** Enter the cumulative amount of Federal funds awarded for the FY for which the report is being submitted.

**Line 6. Transfer from TANF.** Enter the cumulative amount transferred from TANF for the FY for which the report is being submitted. The rules and regulations of the Child Care and Development Block Grant (Discretionary Funds) program will govern any amounts transferred from TANF. **Only column (C) is completed.** No entry is required

in columns (A), (B), and (D). Funds reported on this line must also be incorporated into the amounts entered on the other lines of **column (C)**.

**Line 7. Unobligated Balance.** Enter the amount of unobligated Federal funds for the FY for which the report is being submitted. Amounts reported in column (B) and remaining unobligated after the one-year obligation period will be returned to the Federal government and re-distributed. Amounts reported in column (C), and remaining unobligated, after the two-year obligation period, will be returned to the Federal Government.

### **Estimates**

**Line 8. Federal Funds Requested.** Enter the State estimate of funds needed for the quarter ending 180 days after this reporting quarter. (This date is entered as the Next Quarter Ending date in upper right hand corner of report.)

### **Reallotted Funds**

For the quarter ending 3/31, check whether or not the State would like to receive its proportional share of reallotted Discretionary funds that may become available. For the quarter ending 9/30, check whether or not the State would like to receive its proportional share of reallotted Matching funds that may become available. If the State wishes to limit the amount received to a specific amount, due to State share funding limitations, it should indicate in the space available the maximum amount it would like to receive. **Please Note:** If reports are not received within 30 days after the end of the quarter (10/31 and 4/30 respectively), the State **will not** be eligible for reallotted funds.

**Signatures.** This report must be signed and dated in the space provided, including the title, agency and phone number of the individual whose signature is shown. **Note:** The individual who signs this report is certifying that: (a) the information provided on all parts of this form and all accompanying documents is accurate and correct; and (b) that any amount shown as the State share of obligations is or will be available to meet the non-Federal share as prescribed by law.

### **NOTE:**

"THE PAPERWORK REDUCTION ACT OF 1995"

Public reporting for this collection of information is estimated to average 5 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

## **SUPPLEMENTAL INFORMATION**

Below are explanations of terms that may be of use in completing the form.

1) Child Care and Development Fund (CCDF):

Means the child care programs conducted under the provisions of the Child Care and Development Block Grant Act, as amended. The fund consists of Discretionary funds authorized under section 658B of the amended Act, and Mandatory and Matching funds appropriated under section 418 of the Social Security Act.

2) Mandatory Funds:

Means the general entitlement child care funds described at section 418(a)(1) of the Social Security Act.

3) Matching Funds:

Means the remainder of the general entitlement child care funds that are described at section 418(a)(2) of the Social Security Act.

4) Discretionary Funds:

Means the funds authorized under section 658B of the Child Care and Development Block Grant Act. The discretionary funds were formerly referred to as the Child Care and Development Block Grant.

5) Quality Services:

Activities designed to provide consumer education to parents and to the public; activities that increase parental choice; and activities designed to improve the overall quality and availability of child care. Section 658(G) of the CCDBG Act was amended to direct that a State that receives CCDF funds shall use not less than 4 percent of the amount of such funds for activities to improve the quality of child care and availability of child care. Section 98.51(a) provides that the not less than 4 percent for quality applies to the aggregate amount of expenditures (Discretionary, Mandatory, and both the Federal and State share of Matching funds). Section 98.51(a) also provides that the 4 percent requirement applies to funds expended, rather than the total of funds available. It should also be noted that 98.51(c) provide that the quality expenditure requirement does not apply to the maintenance-of-effort expenditures required by 98.53(c) in order to claim from the Matching fund. The minimum percentages apply at the end of the liquidation period.

6) Direct Services:

Section 418(b)(2) of the Social Security Act requires the State to ensure that not less than 70% of funds (Mandatory and Matching) received by the State are used to provide child care assistance under a State program under Part A of title IV of the Social Security Act, families who are attempting through work activities to transition off such assistance program and families that are at risk of becoming dependent on such assistance program. Section 658E(c)(3)(D) of the Child Care

and Development Block Grant Act stipulates that a State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of Section 418(b)(2) of the Social Security Act) to the State to carry out activities is used to provide assistance to low-income working families other than the families described in Section 418(b)(2). See 98.50(a) and (e) for specific description.

7) Nondirect Services:

Child Care services provided that do not meet the definition of Direct Services outlined above, including systems costs, certificate program costs, and eligibility determination costs.

8) Systems:

Expenditures related to the establishment and maintenance of computerized child care information systems

9) Certificate Costs:

Expenditures related to developing and operating a certificate program.

10) Eligibility Determination:

Expenditures related to the process of determining the eligibility of a particular person for child care services.

11) Other Nondirect Services:

Other nondirect service costs associated with the goods and services required for the administration of the CCDF program not covered under 8,9, and 10 above.

12) Private Donated Funds for State Share:

State match can include donated funds from private sources when the donated funds are made without any restriction that would require their use for a specific individual, organization, facility or institution; do not revert to the donor's facility or use; and are not used to match other federal funds. The donated funds shall be certified both by the donor and lead agency as available and representing expenditures eligible for Federal match and shall be subject to audit requirements. See 98.53(e)(2) and related preamble.

13) Pre-K Funds used for State share:

Public Pre-K expenditures may be eligible for match if the State includes in its plan, as provided in 98.16(q), a description of the efforts it will undertake to ensure that Pre-K programs meet the needs of working parents. In any fiscal year, a State may use public Pre-K funds for up to 20% of the funds for State match.

14) Pre-K funds used for MOE:

Public Pre-K expenditures may be used to meet the maintenance-of-effort requirement only if the State has not reduced its expenditures for full-day/full year

child care services. In any fiscal year, a State may use public Pre-K funds for up to 20% of the funds for State maintenance-of-effort.