

**THE SUPPORTING STATEMENT FOR THE TANF FINANCIAL REPORTING
SUPPORTING STATEMENT FOR RENEWAL OF THE ACF-196, THE TANF
FINANCIAL REPORTING FORM FOR STATES**

A. Justification

1. Circumstances Making the Collection of Information Necessary

The ACF 196 is the form used by states to estimate funding needs and request grant awards under the Temporary Assistance for Needy Families (TANF) program. In addition, the form is used to report data in substantiation of state claims and to certify the availability of the legislatively mandated state match. Failure to collect the data would seriously compromise ACF's ability to monitor TANF expenditures, estimate outlays or to prepare budget submissions for Congress. Authority to require financial reports is contained in section 402 of the Social Security Act, as amended by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Legislative citations requiring this collection include: 401(c)(1), 409 (a)(7) and 409 (a) (1). The following regulatory citations are relevant as well: 45 CFR Parts 265.3 through 265.9. States are required to report quarterly.

42 USC 602; 45CFR Part 265

2. Purpose and Use of the Information Collection

ACF will continue to use the financial data provided by states to estimate quarterly funding needs, calculate award amounts and assess compliance with statutory and regulatory requirements relating to administrative costs and state matching requirements. Without the data captured by the ACF 196, the agency's ability to award and monitor TANF grants would be compromised. The form was last approved in 2002. The renewal proposal has been uncontroversial.

3. Use of Improved Information Technology and Burden Reduction

To the extent that a state can complete its financial estimates and reports faster and more efficiently electronically, the burden is reduced. Under regulation (See 45CFR265.6) states are required to submit reports electronically.

4. Efforts to Identify Duplication and Use of Similar Information

Although no formal efforts to identify duplication have been undertaken, ACF has identified no alternative sources of similar or duplicate information.

5. Impact on Small Businesses or Other Small Entities

These requirements have no impact on small businesses or entities.

6. Consequences of Collecting the Information Less Frequently

The TANF statute requires quarterly financial reporting. Without it, ACF would be unable to exercise fiscal oversight in a responsible manner. The ACF 196 provides estimates of funding needs and serves as a tool for the quarterly assessment of financial management not available elsewhere. While the A-133 audit provides fiscal compliance data, it is not available until some two years after the period of support.

7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

Not applicable.

8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency

The first Federal Register notice was published on December 23, 2008, vol. 73, page 78803. We received comments from ACF Staff members in three regional offices which support the continued use of the form as proposed. Additionally, only one comment regarding a change to include a check block will be incorporated in the revised form.

1. *Three Comments: The 196 report does not allow for a state to indicate if the report is a Final; which requires ACF staff to follow-up with the state in order to make that determination. Recommendation: Modification to the form to include a "final" box.*

Response to #1: Suggestion is under consideration to include a check box on the revised form.

2. *One Comment: The number of responses per respondent is greatly understated. Many states have two or more active TANF grants during any given quarter resulting in the need to submit two or more quarterly TANF 196 reports. My region's states average two to three active TANF grants per quarter and thus must submit two to three TANF 196 reports per quarter.*
3. *Two Commenters: The estimated 8 hours per response is greatly overstated. For the first year of a grant, the time required is probably more than that for carryover years. Moreover, with the new On Line Data Collection System, the entered data receives many edit checks during the data entry process to help ensure a complete and accurate report (helping to simplify the effort). Thus, the "burden" of completing a TANF 196 report (after the first quarterly report for a grant) is primarily data entry from existing state data (or should be at least). Recommended Revised Total Burden Hours: 2 hours for the first year for a total of 702 hours needed to close out the award year.*

Response to #2 and #3: Per OMB instructions for reporting burden hours are based on a yearly basis for completing the form. We feel the burden hours provided is an accurate estimate of the average time needed for all grantees to gather data needed to complete the form for all reporting requirements.

4. *Two Comments:* The current process does not allow for a state to indicate whether or not the currently submitted report includes any revision to previously submitted reports; which make it difficult for ACF staff if revisions have been made and its effect when calculating the Caseload Reduction Credit (as needed to meet the Work Participation Rate). Recommendation: Modification to the form to allow the state to note if “revisions” to prior reports have been included on the submitted report; the amount of the revisions; and, the quarter revision impact.
5. *One Comment:* Currently, revisions to any previously reported TANF data are included with and thus co-mingled with new spending for the current quarter’s report because the TANF reports are cumulative. Moreover, there is currently no requirement for the state to include any attached explanation of any revisions they may have done to prior reported data. This creates significant difficulty and burden to states and ACF fiscal staff when calculating the state’s CRC (Caseload Reduction Credit) which requires the complete and accurate expenditure data for the first year of the grant. I recommend including a block on the form and a requirement to check either “yes” or “no” as to whether any revisions to any prior quarter’s reported data are included in the currently reported, cumulative data (often revisions are “washed out” making it very difficult to tell just by the reported numbers that any revisions have been made).

Response to #4 and #5: These suggested report items are beyond the purpose of the ACF-196 report (for caseload reduction credit). Grantees have until the first day of the subsequent quarter (90 days after the due date) to submit revisions to their report.

6. *One Comment:* Because so many revisions are made, states should be allowed and required to submit a “Revised Final” TANF report at any future date on OLDC (and have the OLDC status indicate “Revised FINAL”). This would provide the all-important, state-submitted source document for end-of-year TANF expenditures that are vital to the CRC calculations.

Response to #6: Grantees have until the first day of the subsequent quarter (90 days after the due date) to submit revisions to their final report. Once that period to submit a revised final report expires, subsequent revisions are not accepted.

7. *One Comment:* When there is no activity on an active grant, states should be able to report this fact without having to enter all of the data from the previous quarter (which adds unnecessary burden to the state, creates the unnecessary potential for typos, and adds unnecessary review work for ACF fiscal staff).

Response to #7: Program instructions require grantees are required to submit cumulative quarterly reports.

8. *One Comment:* Given the extent of revisions that states are allowed to make (with current TANF regulations) and are making (for a variety of reasons), and (more importantly) the relative insignificance of some interim quarters and the relative significance of end-of-year reports, I believe that changing the TANF reporting requirement to every 6 months would be an acceptable burden-reducing change to absolutely everyone involved, both state and federal staff alike. I believe this same argument could be applied to the related Child Care and Development Fund (CCDF) financial reporting requirements. And, with this change, both reports could be due at the same time so that OLDC could also incorporate a real edit check of any transfers between the programs.

Response to #8: Quarterly financial reports are required by regulations.

9. *One Comment:* For the first year of a grant, states should not be allowed to submit their reports without indicating the estimate required for the next quarter (or be able to indicate that no funds are requested for the next quarter) before submission. When this item is left out, this adds unnecessary burden to both the ACF fiscal staff and the state to contact each other, email the data, and/or un-submit the report to make the correction.

Response to #9: Incidence seems to be isolated and is not a problem globally. Suggestion is rejected.

10. *One Comment:* I believe the current TANF requirement that disallows the use of un-obligated carryover funds for non-assistance purposes goes completely against the intent of the TANF law and poses an unnecessary added element of complexity in how a state manages its TANF funds and in how it can report on its use of TANF funds. Thus, I support any effort to remove such limitations on the use of carryover funds. (Some states are not even aware of this restriction anyway and thus don't follow it.)

Response to #10: This is a statutory requirement. If grantees are unaware of the requirement, ACF Regional Offices need to inform the grantee.

9. Explanation of Any Payment or Gift to Respondents

No payments and/or gifts will be provided to respondents.

10. Assurance of Confidentiality Provided to Respondents

The information collected is not confidential.

11. Justification for Sensitive Questions

None of the information requested from state agencies is of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

ANNUAL BURDEN ESTIMATES

Instrument	Number of	Number of	Average	Total Burden
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	Respondents	Responses per Respondent	Burden Hours per Response	Hours
ACF-196	51	4	8	1632

Estimated Total Annual Burden Hours: 1632

For the 51 states and jurisdictions, renewing the State TANF financial reporting requirement will continue a quarterly burden that, we estimate, will average 8 hours per response, resulting in a total quarterly burden of 408 hours, and an annual burden of 1632 hours.

The total staff cost of processing each quarterly report for all 51 states and jurisdictions is estimated at \$20,400.00. This is based on the estimate that preparation will take 8 state staff-hours at an average cost of \$50 per hour (including overhead, fringe benefits, etc) times 51 respondents.

13. Estimates of Other Total Annual Cost Burden to Respondents and Record Keepers

There are no additional direct monetary costs.

14. Annualized Cost to the Federal Government

The annual Federal costs associated with Regional and Central Office staff reviewing and processing the state TANF financial reports is estimated to be \$20,400. This is based on the estimate that processing each of the 51 plans will require one federal staff-hour at an average cost of \$100 per hour (including overhead, fringe benefits, etc). The limited amount of photocopying of State plans and the limited use of the telephone for conference calls is already built into our general administrative expenses. This workload does not represent additional costs in those areas.

15. Explanation for Program Changes or Adjustments

The previous annual burden estimate was 1,728 hours. The new revised estimate of 1632 hours is due to reduction in the number of respondents. Additionally, a program change to include a new column for reporting Recovery Act expenditure data is accounted in the current burden hours per response.

The net difference is a reduction of 96 hours. The detail estimates for hours are a 10 increase due to agency discretion and 106 decrease for adjustment. The change in new responses is due to an adjustment caused a revised in estimating method.

16. Plans for Tabulation and Publication and Project Time Schedule

Section 411(b) of the Personal Responsibility and Work Opportunity Act of 1996 requires the Secretary to submit a report to Congress each year that includes expenditures

under each state's TANF program. ACF uses the information that is in the TANF financial reports as an important source of the information used to compile certain sections of this report. Published reports are posted to our web site at

<http://www.acf.hhs.gov/programs/ofa/indexar.htm>

The TANF Annual Report to Congress is due April 1.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

We will display the new OMB approval expiration date on the ACF-196.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification statement in Item 19 of Form OMB 83-I.

B. Collections of Information Employing Statistical Methods

Statistical methods are not applicable to this information collection.