



**INSTRUCTION FOR COMPLETION OF FORM ACF-196
(State TANF Financial Report)**

Financial Reporting Form for the Temporary Assistance for Needy Families (TANF) Program

All States (for the purpose of this instruction will include the District of Columbia) must complete and submit this report in accordance with these instructions on behalf of the agency administering the TANF Program. 45 CFR 265.6, require States to submit program data and financial status reports electronically. States and Territories must submit these reports through the ACF On-Line Data Collection (OLDC) system. OLDC reduces paperwork, allows for quicker processing, automatically completes required calculations, and checks for data entry errors.

Electronic Submission: The ACF-196 financial report form is available for submission through the internet using the OLDC system website at <https://extranet.acf.hhs.gov/ssi>. States may obtain access to the OLDC system by submitting an OLDC Request Form to the ACF Regional Office in your area. The OLDC Request Form is attached and is available electronically (along with OLDC help sheets, user guides and tutorials) at: <https://extranet.acf.hhs.gov/oldcdocs/materials.html>. The completed OLDC Request Form may be emailed or faxed to your Regional Office contact (see attachment). Please submit a separate OLDC Request Form for each staff person who will need to have a role in using OLDC. ACF will create a User ID based on the information provided on the OLDC Request Form. An e-mail message is automatically sent to the staff member identified on the OLDC Request Form when an OLDC User ID and password is created for that person.

Due Date: ACF-196 must be received by ACF using OLDC within 45 days after the end of each quarter of the Federal fiscal year. Reports for the current year award are due on February 14th, May 15th, August 14th, and November 14th.

Quarterly Report Requirements: In addition to the quarterly reports for the current year award, a State must also submit quarterly reports for prior TANF awards where the funds have been expended. When TANF funds are completely expended, the State must submit a report marking the box that the report is a Final report. No further reporting of that TANF award is necessary after a Final report has been submitted.

For example: During FY 2006, a State receives TANF funds for the current year 2006, the State also has TANF funds remaining in the FY 2003, FY 2004 and FY 2005 awards. On September 30, 2006, the State expended all the funds from the FY 2003 award, nothing from the FY 2004 award and some funds from both the FY 2005 and FY 2006 TANF award. On or before November 14, 2006, the State must submit the following reports for the period ending September 30, 2006:

1. Quarterly report for FY 2006 award.
2. Quarterly report for FY 2005 award.

3. No quarterly report required for the FY 2004 award.
4. A quarterly report marked 'final' for the FY 2003 award.

Note: prior fiscal year un-obligated balances may only be expended on assistance or on the related administrative costs of providing that assistance. Expenditure of prior year un-obligated balances must be reported on the "Expenditure on Assistance" categories (lines 5(a) through 5(d)) and any related administrative costs reported on line 6(j).

Additionally, should there be a need to revise a report for the previous quarter. The State has until the end date of the current quarter to submit that revised report. Otherwise, any revised data should be incorporated into the next quarterly report due.

As cited in 45 CFR 265.8, States not submitting the required quarterly TANF Financial Report may give rise to a penalty.

Expenditures on Non-Assistance (Does not apply to ARRA funds): The State must obligate by September 30 of the current fiscal year any funds for Expenditures on Non-Assistance. Non-Assistance expenditures are reported on Line 6 categories of this report. The State must liquidate these obligations by September 30 of the Federal fiscal year after the FY for which the funds were awarded. If the final liquidation amounts are lower than the original amount obligated, these funds must be included in the un-obligated Balance Line Item for the year in which they were awarded. As mentioned in the previous paragraph, un-obligated balances from previous fiscal years may only be expended on assistance and the administrative costs related to providing the assistance. This requirement does not apply to ARRA funds.

General Instructions

- Round all entries to the nearest dollar.
- Entries are not required or are not applicable to blocks that are shaded. In OLDC some of these shaded areas are automatically entered or entered as calculation checks.
- Include costs of contracts and subcontracts in the appropriate reporting category, based on their nature or function.
- Administrative Expenditure Caps: States have four administrative expenditure caps that must not be exceeded.
 1. The administrative expenditure cap applies to TANF funds, administrative expenditures reported on line 6j (column A) cannot exceed 15% of the Adjusted State Family Assistance Grant (SFAG) reported on line 4(column A).
 2. The administrative expenditure cap applies to State Funds (Columns B and C). Administrative expenditures reported in line 6j (for columns (B) and (C)) cannot exceed 15% of the Total Expenditures reported on Line 7B and Line 7C.

3. The administrative expenditure cap applies to Contingency Funds the State may have received. Line 6j (Column D) may not exceed 15% of the amount awarded in line 1 (column D).
4. The administrative expenditure cap applies to the ARRA TANF funds. Line 6j (column E) may not exceed 15% of the amount awarded in line 1 (column E).

Based on the nature or function of the contract, States must include appropriate administrative costs associated with contracts and subcontracts that count towards the 15% administrative cost caps.

General Block Entries:

- Enter State Name
- Fiscal Year: Identify the Federal fiscal year the funds were awarded.
- Enter the ending date of the quarter (the quarter just ended) in which the report is being submitted
Example: the State is reporting for the 1st quarter of the Federal fiscal year (10/1 through 12/31). The report is due February 14, the current quarter ending date is 12/31.
- Enter the ending date of the next quarter (the upcoming quarter, which estimates are being requested on line 12). Example: The current report is due February 14, the current quarter ending date is 12/31. The next quarter ending date for which estimates are requested is 6/30. The estimate submitted on line 12 (column B) will be for the quarter of 4/1 through 6/30. Estimates are not required on quarterly reports submitted for prior fiscal years.
- Contingency Funds: States receiving Contingency Funds must indicate if this report is being used for annual reconciliation of the Contingency Fund.
- Enter the Federal Medical Assistance Percentage Rate (FMAP) used by the State for the fiscal year for which Contingency Funds were received.
- Signature – Person Authorized to submit the report
- Date Submitted – A date is automatically stamped when the report is submitted to ACF through OLDC
- Indicate whether this is a new report or a revision of a report previously submitted for the same period.

Explanation of Columns:

Columns: All amounts reported in columns (A) through (E) must be actual expenditures or obligations made in accordance with all applicable statutes and regulations. Amounts reported in the estimates section are estimates of Federal expenditures to be made during the quarter indicated based on the best information available to the State.

Column (A) lines 1 through 4 refer to the SFAG awards plus any Supplemental Grant or Bonus Funds, amounts transferred to the CCDF (Discretionary Fund) and the SSBG program, and the amount available for TANF.

Column (A) lines 5 through 8 refer to the Federal TANF funds the State expended under its TANF program.

Column (A) line 9 refers to the Federal TANF funds the State obligated under its TANF program.

Column (A) line 10 refers to the unobligated balance that is calculated by subtracting the amounts on lines 7 and 9 from the amount on line 4.

Column (A) line 12 is the SFAG grant award amount or percentage the State estimates it will need for the next quarter ending referenced at the top of the form. (See Line Item Instructions)

Column (B) lines 5 through 7 refer to State TANF expenditures that the State is making to meet its basic Maintenance-of-Effort (MOE) requirement. Include State funds that are commingled with Federal funds and segregated State funds expended under the State TANF program.

NOTE: States receiving Contingency Funds under section 403(b) for the fiscal year must also use this same column to report State TANF expenditures made to meet the Contingency Fund MOE requirement and matching expenditures made above the 100-percent MOE level. Expenditures made to meet the Contingency Fund MOE requirement and expenditures made above the MOE level (for matching purposes) must be expenditures made under the State TANF program only; they cannot include expenditures made under "separate State programs." In addition, child care expenditures cannot be included as Contingency Fund MOE expenditures or expenditures that are matched with Contingency Funds.

Column (B) line 11 State replacement funds refers to State funds the State must expend into the TANF program that is equal to the TANF penalty received in the previous year.

If a State's SFAG Grant is reduced because of the imposition of a penalty under section 409 of the Social Security Act, section 409(a)(12) provides that the State must replace the funds lost due to the penalty with State funds in an amount that is no less than the amount withheld. The State replacement funds must be included in Line 11 Column (B). These funds must be in addition to funds reported under line 7(B).

Column (C) lines 5 through 7 refer to State expenditures that the State is making in Separate State Programs, outside the State TANF program, to meet its basic MOE requirement.

NOTE: For the basic MOE requirement, the cumulative total expenditures (i.e., the sum of 7(B) + 7(C)) reported at the end of the Federal fiscal year should add up to 80% of fiscal year 1994 historic State expenditures if the State did not meet the TANF work participation requirements, or 75% of fiscal year 1994 historic State expenditures if the State met the TANF work participation requirements. Basic MOE requirements and

tables were published in Program Instruction No. TANF-ACF-PI-97-9, dated October 31, 1997.

For States that received contingency funds, line 7(B) minus line 5(B)(b)(assistance child care) minus line 6(B)(b)(non-assistance child care) must exceed 100 percent of the Contingency Fund MOE requirement.

Column (D) line 1 refers to the Federal Contingency Fund grant awards.

Column (D) lines 5 through 7 refer to the Federal share of expenditures for which Federal funding is available at the FMAP rate for the fiscal year for which Contingency Funds were received. Contingency Funds are available for match for State expenditures in excess of 100% of Contingency Fund MOE requirements as explained in the "Note" above.

Example: The State received Contingency Funds of \$100,000 for 6 months of the fiscal year; the FMAP rate is 60% Federal and 40% State; the Contingency Fund 100% MOE requirement is \$1,000,000; the State reported expenditures under Columns (B) and (D) of \$1,200,000. To determine how much of the Contingency Funds the State can keep, the expenditures of \$1,000,000 (Contingency Fund MOE requirement) must be subtracted from the total State expenditures of \$1,200,000. That difference (\$200,000) is to be multiplied by 60 percent, i.e., $\$200,000 \times 60\% = \$120,000$. The \$120,000 must then be multiplied by 1/12 times the number of months a State received Contingency Funds, i.e., $\$120,000 \times 1/12 \times 6 = \$60,000$. The State may keep no more than \$60,000 of the \$100,000 ACF awarded it for the Contingency Fund. (This \$60,000 may be further reduced as the result of the amendments to section 403(b)(6) under the Adoption and Safe Families Act.)

Determining how much, if any, a State may keep of the Contingency Funds awarded to it for a fiscal year is known only after completing the annual reconciliation of the Contingency Fund account. This form will serve as the annual reconciliation report when submitted for the fourth quarter of the fiscal year. Based on the example above, the amount claimed in line 7 of Column D (Total Expenditures-Contingency Fund) may be no more than \$60,000.

It is possible that a State will have received Contingency Funds after the end of the fiscal year that applies to expenditures made in the prior fiscal year. For a State receiving Contingency Funds for a fiscal year after it has ended, the State will be required to submit a revised fourth quarter report within 45 days of receipt of the additional Contingency Funds. There is no carryover of such funds from one fiscal year to the next.

Column (E) line 1: ARRA Funds refers to Emergency TANF Funds awarded under the American Recovery and Reinvestment Act of 2009 ARRA.

Column (E) line 1 refer to the amount of ARRA TANF funds awarded to the State.

Column (E) lines 5 through 8 refer to the ARRA TANF funds the State expended under its TANF program.

Column (E) line 9 refers to the amount of ARRA TANF funds the State obligated under its TANF program.

Column (E) line 10 refers to the unobligated balance that is calculated by subtracting the amounts on lines 7 and 9 from the amount on line 1.

Line Item Instructions

Enter Cumulative Fiscal Year Expenditures and Obligations

Line 1. Awarded

Enter in column (A) the cumulative total of Federal TANF funds awarded to the State (after any Tribal adjustments) from October 1 of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

NOTE: The State must include all Federal TANF funds awarded for the current fiscal year on Line 1(A), except Contingency Funds. Line 1 (A) includes SFAG funds, Supplemental Funds and any Bonus Funds. Do not include Welfare- to -Work funds awarded under section 403(a)(5).

Enter in column (D) the cumulative total of contingency funds awarded to the State from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Enter in column (E) the cumulative total of ARRA TANF funds awarded to the State from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 2. Transferred to Child Care and Development Fund Enter in column (A) the cumulative total of funds that the State transferred to the Discretionary Fund of the Child Care and Development Fund from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Section 404(d)(1) of the Act that governs the transfer of TANF funds to the Discretionary Fund. In compliance with section 404(d)(1), a State may not transfer more than 30% of its total annual TANF funds. A State may transfer this entire amount to the Discretionary Fund of the CCDF program. All funds transferred to the Discretionary Fund of the CCDF program take on the rules and regulations of that recipient Fund in place for the current fiscal year at the time when the transfer occurs. A State can transfer current-year Federal TANF funds only. The State may not transfer prior year unobligated balances to the CCDF.

Note: Transfers to CCDF and SSBG programs. The State may transfer Federal funds to the CCDF Discretionary Fund and /or the SSBG programs only during the current fiscal year for which the funds were awarded. **The State cannot transfer unobligated balances from a previous fiscal year to the CCDF and/or the SSBG programs.** Limitations on transfers to these programs are explained in the Line Item instructions.

Line 3. Transferred to SSBG Enter in column (A) the cumulative total of funds the State transferred to the Social Services Block Grant program from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Section 404(d)(2) of the Act governs the transfer of TANF funds to the SSBG program; it limits the amount a State may transfer to no more than 10% of its total annual TANF grant to SSBG. (Also, the combined amount transferred to SSBG and the Discretionary Fund may not exceed 30% of the annual TANF grant. In other words, for all financial reports applicable to grant funds for one fiscal year, the sum of the total cumulative amount reported on line 3 and the total cumulative amount reported on line 2 cannot exceed 30% of the annual TANF grant.) All funds transferred to the SSBG program are subject to the statute and regulations of the recipient SSBG program in place for the current fiscal year at the time when the transfer occurs. A State may transfer current-year Federal TANF funds only. The State may not transfer prior-year unobligated balances to SSBG.

NOTE: Beginning in FY 2003 the maximum amount of SFAG funds a State may transfer to the SSBG program is 4.25% of its annual TANF grant.

Also, the total amount transferred to SSBG and CCDBG affects the amount available for Jobs Access activities that may be used as the non-Federal match under that program. See instructions for line 6c1.

Line 4. Adjusted SFAG Enter in column (A) the cumulative total of funds available for TANF after subtracting the amounts transferred to the CCDF program (Discretionary Fund) (line 2(A)) and/or the SSBG program (line 3(A)) from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 5. Expenditures on Assistance Blocks are shaded and do not have to be filled out. This line exists as a mathematical check. Expenditures in this category must be included in Lines 5a through 5d from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 5a. Basic Assistance Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for basic assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include benefits not reported on line 5d provided in the form of cash, payments, vouchers, or other forms designed to meet on-going, basic needs. Include such benefits, even when provided in the form of payments by a TANF agency, or other public agency on its behalf, to individuals and conditioned on their participation in work experience or community service (or any other work activity under 45 CFR 261.30).

Line 5b. Child Care Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for child care that meet the definition of assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. The amounts reported in this category **do not** include funds transferred to the CCDF (Discretionary Fund - reported on the ACF-696) or SSBG programs. Include child care expenditures for families that are not employed, but need child care to participate in other work activities such as job search, community service, education, or training, or for respite purposes. Do not include child care provided as a non-recurrent; short-term benefit (for example, to recently employed families who need child care extended during a temporary period of unemployment in order to maintain continuity of care). Do not include expenditures on pre-

K activities or other programs designed to provide early childhood development or educational services (e.g., following the Head Start model); such activities should be reported as "other" and identified as such in a footnote to that category).

Line 5c. Transportation and Other Supportive Services Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for transportation and other supportive services that meet the definition of assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include expenditures for families that are not employed but need supportive services to participate in other work activities such as community service, education, or training, or for respite purposes. Do not include transportation or other supports provided as a non-recurrent, short-term benefit (for example, during applicant job search).

Line 5d. Assistance Authorized Solely Under Prior Law. Enter in columns (A) (D), and (E) any expenditures of Federal funds on assistance that is authorized solely under section 404(a)(2) of the Act from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

These are expenditures that are not otherwise consistent with the purposes of TANF and/or with the prohibitions in section 408. States including expenditures on this line must include a footnote explaining the nature of these benefits (e.g., previously authorized juvenile justice or State foster care payments) and reference the State plan provision under which they were authorized. NOTE: States may not report MOE expenditures in this category; all State MOE expenditures must be consistent with the purposes of TANF.

Line 6. Expenditures on Non-Assistance Blocks are shaded and do not have to be filled out. This line exists as a mathematical check. Expenditures in this category must be included in Lines 6a through 6l.

Line 6a. Work-Related Activities and Expenses Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures (sum of 6(a)1 + 6(a)2 + 6(a)3 for each column) for work-related activities and expenses, as described in the instructions for those 3 lines, from October 1 of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6a1. Work Subsidies Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for work subsidies from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Work subsidies include payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, or training. Do not include expenditures related to payments to or on behalf of participants in community service and work experience activities that are within the definition of assistance.

Line 6a2. Education and Training Enter in columns (A), (B), (C), (D), and (E) costs related to educational and training activities from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. These are expenditures on educational activities that are consistent with the recognized work activities at §261.30 or as a supplement to such activities. Thus, include secondary education (including alternative programs); adult education, GED, and ESL classes; education directly related to employment; education provided as vocational

educational training; and post-secondary education. Do not include costs of early childhood education or after-school or summer enrichment programs for children in elementary or junior high school.

Line 6a3. Other Work Activities/Expenses Enter in columns (A), (B), (C), (D), and (E) expenditures on other work activities from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. These are expenditures on work activities or work expenses that have not been reported as education or work subsidies (including staff costs related to providing work experience and community service activities, on-the-job training, job search and job readiness, job skills training, and training provided as vocational educational training), related services (such as employment counseling, coaching, job development, information and referral, and outreach to business and non-profit community groups), and other work-related expenses such as costs for work clothes and equipment). Include such costs when provided as part of a diversion program or as transitional services to individuals who ceased to receive assistance due to employment.

Line 6b. Child Care Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for child care that does not meet the definition of assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include child care provided to employed families (related either to their work or related job retention and advancement activities) and child care provided as a non-recurrent, short-term benefit (e.g., during applicant job search or to a recently employed family during a temporary period of unemployment). **Do not** include amounts of funds transferred to the CCDF (Discretionary Fund - reported on the ACF-696) or SSBG programs. Also, do not include expenditures on pre-K activities or other programs designed to provide early childhood development or educational services (e.g., following the Head Start model); such activities should be reported as "other" and identified as such in a footnote to that category).

Line 6c. Transportation Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures (sum of 6(c)1 + 6(c)2 for each column) for transportation activities that do not meet the definition of assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include the value of transportation benefits (such as allowances, bus tokens, car payments, auto insurance reimbursement, and van services) provided to employed families (related either to their work or related job retention and advancement activities) and provided as a non-recurrent, short-term benefit (e.g., during applicant job search or to a recently employed family during a temporary period of unemployment).

Line 6c1. Job Access Enter in Columns (A), (B), (C), (D), and (E) the cumulative total expenditures for the Department of Transportation Access to JOBS program from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Column (A) must include only Federal TANF expenditures that are used as nonfederal match to meet matching requirements for the Department of Transportation Job Access program. Any other expenditure of Federal TANF funds on non-assistance transportation, including the expenditure of Federal TANF funds in the Job Access program, but not for the purpose of matching, must be reported on Line 6(C) (2).

NOTE: The amount of TANF funds expended on Job Access programs that may be used as nonfederal matching under the Job Access program is limited to the difference between 30 percent of TANF funds (amount reported on line 1(A)) and the total

amount transferred to SSBG and the Discretionary Fund of CCDF (sum of amounts reported on lines 2(A) and 3(A)).

Line 6c2. Other Transportation Enter in Columns (A), (B), (C), (D), and (E) the cumulative total expenditures for other types of transportation activities that do not constitute assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

NOTE: As an addendum to the 4th quarter report, the State must describe the activities and associated expenditures for which "other Transportation expenditures" under this line applies.

Line 6d. Individual Development Accounts Enter in columns (A), (B), (C), (D), and (E) expenditures on contributions to Individual Development Accounts and any other expenditures related to the operation of an IDA program that fall outside the definition of administrative costs from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6e. Refundable Earned Income Tax Credits Enter in columns (A), (B), (C), (D), and (E) expenditures on refundable earned income tax credits paid to families and otherwise consistent with the requirements of parts 260 and 263 of the TANF regulations from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include State and local tax credits that represent a specific portion of the Federal Earned Income Credit and expenditures on similar State programs designed to defray the costs of employment for low-income families.

Line 6f. Other Refundable Tax Credits Enter in columns (A), (B), (C), (D), and (E) expenditures on any other refundable tax credits provided under State or local law that are consistent with the purposes of TANF and the requirements of parts 260 and 263 of the TANF regulations from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6g. Non-Recurrent Short Term Benefits Enter in columns (A), (B), (C), (D), and (E) any expenditure on one-time, short-term benefits to families in the form of cash, vouchers, subsidies, or similar form of payment to deal with a specific crisis situation or episode of need and excluded from the definition of assistance on that basis. Do not include expenditures on supportive services such as child care or transportation (including car repairs) or work activities and expenses (such as applicant job search) provided under a diversion program; these items should be reported in other reporting categories.

Line 6h. Prevention of Out-of-Wedlock Pregnancies Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for prevention of out-of-wedlock pregnancies activities that have not otherwise been reported from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6i. Two-Parent Family Formation and Maintenance Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for two-parent family formation and maintenance activities that

have not otherwise been reported from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6j. Administration Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for administrative costs (as defined at §263.0) from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

For Federal TANF funds, the 15% administrative cost cap applies to the Adjusted SFAG reported on line 4(A) of this form. For State expenditures reported in columns (B) and (C), the administrative cost cap applies to the cumulative amount of Total Expenditures (i.e., the sum of line 7(B) + 7(C)) reported for these columns. For Contingency Funds, the administrative cost cap applies to the Contingency Award on line 1 (D). For ARRA TANF funds the administrative cost cap applies to the ARRA TANF funds awarded on line 1 (E).

Based on the nature or function of the contract, States must include appropriate administrative costs associated with contracts and subcontracts that count towards the 15% administrative cost caps.

Line 6k. Systems Enter in columns (A), (B), (C), (D) and (E) the cumulative total expenditures for systems costs related to monitoring and tracking under the program from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

NOTE: Section 404(b)(1) of the Act limits States to which a grant is made under section 403 to expend no more than 15% of the grant for administrative costs. In addition, section 404(b)(2) of the Act states that the 15% administrative cost cap shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under part IV-A of the Act. The systems exclusion applies to items that might normally be administrative costs, but are systems-related and needed for monitoring or tracking purposes under TANF. Under our final rules the same information technology exclusion applies to MOE expenditures. The TANF rules at §263.2 and §263.11 provide guidance about what is excluded under this definition.

Line 6l. Non-Assistance Authorized Solely Under Prior Law Enter in columns (A) (D), and (E) any expenditures of Federal funds on non-assistance that are authorized solely under section 404(a)(2) of the Act from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

These are expenditures that are not otherwise consistent with the purposes of TANF and/or with the prohibitions in section 408. States including expenditures on this line must include a footnote explaining the nature of these benefits (e.g., previously authorized juvenile justice or State foster care payments) and reference the State plan provision under which they were authorized. NOTE: States may not report MOE expenditures in this category; all State MOE expenditures must be consistent with the purposes of TANF.

Line 6m. Other Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures for other expenditures considered "expenditures on non-assistance" that were not included on Lines 6a through 6l from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. For example, include as "other" costs on general family preservation activities and parenting training. Include costs on activities such as substance abuse treatment, domestic violence services, and case management to the extent that such costs are not directed at the second goal of TANF and included as work-related costs above.

NOTE: As an addendum to the 4th quarter report, the state must describe the activities and associated expenditures for which "other expenditures" under this line item applies.

Line 7. Total Expenditures Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures (i.e., the sum of Line 5a through Line 6m) from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 8. Transitional Services for Employed Enter in columns (A), (B), (C), (D), and (E) the cumulative total expenditures to provide transitional services to families that cease to receive assistance under the TANF program because of employment from October 1 of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Expenditures reported on this line must also be included in the expenditure categories reported on lines 5 or 6.

NOTE: The expenditures reported on this line will duplicate expenditures reported elsewhere in this Report. Section 411(a)(5) requires separate quarterly reporting of expenditures on transitional services for families who have ceased to receive assistance because of employment.

Line 9. Federal Unliquidated Obligations Enter in columns (A) (D), and (E) the cumulative total Federal Unliquidated obligations from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. **Obligations reported on this line must meet the definition of obligations contained in 45 CFR 92.3.** For the Contingency Fund, this line should indicate \$0 for the report submitted for the fourth quarter.

Line 10. Unobligated Balance Enter in columns (A) (D), and (E) the cumulative total Federal unobligated balances from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. After the end of the Federal fiscal year any amount reported in column (D), as an unobligated balance, will be de-obligated by ACF.

NOTE: The State must report any Federal funds reserved for "rainy day" purposes as an unobligated balance on this line. Unobligated balances expended in any future Federal fiscal year must be expended only on assistance (reported on Line 5 categories of this report) or administrative costs related to providing that assistance (reported on line 6(j)).

Line 11. State Replacement Funds Enter in column (B) the cumulative total State Replacement Funds expended as a result of the imposition of a TANF penalty from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 12. Estimate for Next Quarter Ended Enter in column (A) the estimate of SFAG grant award funds requested for the next quarter ending (refer to the next quarter ending entered at the top of this report).

NOTE: Section 405(c)(1) of the Act states that ACF shall estimate the amount to be paid to each eligible State for each quarter, such estimate is to be based on a report filed by the State of the total sum to be expended by the State in the quarter under the State program funded under section 403.

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Public reporting burden for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection 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.