

**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; 45 CFR 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 2009. The addendums to the form due at the end of the fiscal year provides additional information regarding the spending of several general categories of spending or the basis of any estimation procedures regarding actual expenditures.

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 (45 CFR 265.6) 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 February 21, 2012, vol. 77, page 9943.

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 Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden 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

There is no change in the estimated burden. The previous annual burden A program change to eliminate two columns for reporting Recovery Act expenditure data (related to the Emergency Contingency Fund and Supplemental Grants) reduces the burden marginally, while a new requested “Note” asking for states to include information related to reasonable estimates (if any) adds to the burden marginally and together results in no change to the estimated burden. The following is a list of changes.

- Removing column (E) for the Emergency Contingency Fund and column (F) for Supplemental Grants from the ACF form and instructions; these were temporary provisions related to the American Recovery and Reinvestment Act (ARRA).
- Adding a “Note” to Line 7 asking for states to include as an addendum to the fourth quarter report a description of any estimates used in deriving any expenditures reported in any category. We do not expect that this issue will arise in most states, but recent experience during a review of Emergency Contingency Fund data suggested that some states may be using “reasonable estimates,” when actual data would be more appropriate.
- Removed references to the “Emergency Fund,” as column (E) no longer exists. The instructions did not mention column (F) for Supplemental Grants so there was no modification to the instructions in this regard.
- Deleted outdated reference to where States may gain access to OLDC; all states

- currently used OLDC.
- Updated dates used in examples to illustrate the timing of report submissions.
 - Removed an outdated reference to how ARRA changed the treatment of carryover funds; this policy is now well known and understood by states.
 - Clarified discussion of administrative cap, primarily because the reference to the “Emergency Fund” was no longer necessary.
 - Replaced requirement for quarterly footnote for Line 5d (Assistance Authorized Solely Under Prior Law) and Line 6l (Non-Assistance Authorized Solely Under Prior Law) with a requirement for a “Note” providing the same information as an addendum to the fourth quarter report. This approach ensured greater consistency in how narrative requirements related to the ACF-196 are treated.
 - Removed discussion of cap on administration costs in Line 6j, as the same information was provided earlier in the form.
 - Removed, for Line 10, outdated “Note” explaining the treatment of carryover funds.
 - Removed statement for Line 11, State Replacement Funds, which said expenditures for this category must also be reported on Line 5 or Line 6. These are not MOE funds and should not be reported there.

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. Financial data are also published on our web site at

<http://www.acf.hhs.gov/programs/ofs/data>

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.