

INSTRUCTIONS FOR COMPLETION OF FORM CB - 496



**TITLE IV-E PROGRAMS QUARTERLY FINANCIAL REPORT
(Foster Care, Adoption Assistance and Guardianship Assistance Programs)**

Paperwork Burden Statement. According to the Paperwork Reduction Act, as amended, no response is required to a collection of information request unless it displays a valid OMB Control Number. The valid OMB control number for Form CB-496 is 0970-0205. Public reporting burden for this collection of information is estimated to average 1720 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503

General Instructions

Applicability: Completion of this report is required by each State and Indian Tribe, Tribal organization and Tribal consortia (hereafter "Tribe") with an approved title IV-E plan to administer the Foster Care, Adoption Assistance or Guardianship Assistance Program under title IV-E of the Social Security Act (the Act). Some information required on this report is applicable **ONLY** to State programs or **ONLY** to Tribal programs. These items are clearly identified on the form and in these instructions.

The information reported on this form is reviewed by various components of the Administration for Children and Families (ACF) to award funds, determine the allowability of reported expenditures and to provide reports to Congress. Determinations regarding whether reported expenditures are eligible for Federal funding under title IV-E will be made in accordance with applicable Federal statute, regulations and policy.

These instructions are intended to assist in the completion of this form and clarify the applicable Federal statutes, regulations and policies. Where a conflict exists, this form and these instructions do not supersede such documents.

- Enter the name of the State or Tribe.
- Enter the reporting periods including the ended date of the Current (claiming) quarter and the ending date of the Next (estimating) quarter.
- Enter the report type. Check box to indicate whether this is a new report (first submission for that quarter) or a revision of a report previously submitted for the same quarter.
- Round all entries to the nearest dollar; do not include cents.
- **Due Dates:** This form must be submitted quarterly within 30 days of the end of each fiscal quarter, i.e., **no later than January 30, April 30, July 30 and October 30**, respectively.

Electronic Data Submission

States and Tribes are requested to submit this form electronically through the ACF On-Line Data Collection (OLDC) system, which requires pre-registration and the use of an approved digital signature.

Once a digitally signed copy is submitted online through OLDC, a duplicate copy **should not** be submitted either by mail, email or fax. Any State or Tribe that elects to use electronic submission should not submit a paper (hardcopy) version

- **Due Dates:** This form must be submitted quarterly within 30 days of the end of each fiscal quarter, i.e., no later than January 30, April 30, July 30 and October 30, respectively.
- **Signatures:** This report must be signed – either by hand or with an approved electronic signature - and dated at the end of Part 1 by the State or Tribe official responsible for the administration of the title IV-E program or other official responsible for the financial administration of these programs. The individual signing this report is certifying to the correctness and accuracy of the information on all Parts of this reporting form and on any accompanying documents and is certifying that any amount shown as the Tribe/State share of expenditures is or will be available to meet the non-Federal share of expenditures for the quarter indicated as prescribed by law.
- **Variations.** **(THIS PROVISION IS NOT APPLICABLE TO TRIBES.)** On an attached page, States must submit a detailed explanation of any increase or decrease greater than five percent for any data element of Part 1 compared to the same element for the previous quarter. The explanation should include but is not limited to details relating to changes in number of children or type of placement, number of staff or administrative activity, or number of trainees or type of training.
- **Revisions:** If the State or Tribe needs to change or correct its submission of this report after the original copy is submitted by the due date indicated above, a revised report may be submitted. However, a revised report will not be accepted after the expenditures reported in the original submission have been used in the calculation of a quarterly grant award¹ - usually within 90 days after the close of the “current quarter.” Any additional claims or other adjustments that must be reported after that time must be included as a “prior quarter adjustment” on a subsequent “claiming quarter” expenditure report, within the limits of any time constraints imposed by law or regulation. Revisions to the “next quarter” estimates will be accepted only in extraordinary circumstances. ¹(Note: An exception to this restriction will be made where a delay in the reporting of an increasing adjustment will cause the claim to be filed beyond the two-year filing deadline under Section 1132 of the Social Security Act.)

For Congressional reporting purposes, no re-submissions, revisions or adjustments of expenditure reports submitted for any quarter of the fiscal year will be accepted by ACF later than December 31 - 3 months after the end of that Federal fiscal year. Only data received by ACF as of that date will be used in the publication of statistical data for that fiscal year.

- **Submission (Non-Electronic):** Any State or Tribe that elects to submit this report as a paper copy, must mail that copy with original signatures to:

Administration for Children and Families

Office of Grants Management
Division of Mandatory Grants
Att'n: Title IV-E Programs
370 L'Enfant Promenade, SW – 6th Floor East
Washington, DC 20447

An additional copy must be sent to the ACF Regional Grants Officer.

Definitions:

Expenditures (Cols. A, B, C & D). Expenditures are actual payments made to vendors, service providers and contractors or for administrative, personnel, or other cost items. Include also indirect costs allocable to the quarter being reported in accordance with an approved or pending cost allocation plan.

To be allowable, all amounts reported must be for expenditures made under the State or Tribe's approved title IV-E plan for administration, training and systems costs or for payments made on behalf of children determined eligible for title IV-E. Amounts reported must be in accordance with all applicable statutes, regulations or policies, and, where necessary, using the methodologies in an approved or pending public assistance cost allocation plan (States), an approved child welfare cost allocation methodology (Tribes), negotiated indirect cost rate or other required submission. For this reporting form the terms "expenditure" and "cost" are used interchangeably.

Expenditure estimates are not acceptable in these columns. "Advances" of funds to another State or Tribal agency, a local agency or a private entity are not considered expenditures for these purposes. The amounts reported in these columns must be actual, verifiable transactions supported by readily available accounting records and source documentation or an approved cost allocation plan or an indirect rate agreement, as applicable.

Expenditures are considered made on the date the payment occurs, regardless of the date of receipt of the good or performance of the service. For those programs that provide for State or Tribal administration, the date of this transaction by the IV-E State or Tribal agency governs; for States or Tribes with programs that are administered by a local jurisdiction and are supervised by the State or Tribe, the date of this transaction by the county, city or other local agency governs. Indirect costs are allocable in accordance with the cost allocation plan or indirect rate agreement, and are considered to be "expended" in the quarter to which they are allocated.

- ***Total (Cols. A, C and E).*** All expenditures and estimates for each cost item, including both Federal and Tribe/State share components.
- ***Federal Share (Cols. B, D and F).*** The Federal portion of expenditures, payments or estimates as reported on each line of this report, as computed using the appropriate Federal Medical Assistance Percentage (FMAP) or Federal financial participation (FFP) rate for each line item as described in these instructions.

- **Non-Federal Share. State or Tribal/Tribe Share. (Lines 19, 20, 29, 30, 39, 40)** In accordance with its approved State or Tribal plan, this is the State's or Tribe's required portion of total expenditures reported in Cols A and C. This is also the required portion of the estimated expenditures reported in Col E that the State or Tribe is certifying are or will be available for the non-Federal share of program costs.

The Non-Federal share typically consists of grantee appropriated monies raised from non-Federal revenue sources. For Tribal programs, a portion of the Non-Federal share may also consist of in-kind expenditures (or contributions) from third party sources. Federal funds specifically authorized by Federal statutes to be used as match for other Federal programs, including the title IV-E program may constitute Tribe or State share in accordance with the applicable statute.

- **Third Party In-Kind Expenditures (or Contributions).** Fairly evaluated monetary values (see Federal regulations at 45 CFR 92.24) attributable to items (e.g. plants, equipment, administration) or services used for program purposes and provided by sources other than the agency administering the program.
 - o Tribes are specifically permitted by statute (section 479B(c)(1)(D) of the Act) to use third party in-kind expenditures (or contributions) from certain sources as a portion of the Tribe share of administrative and training costs for these programs under title IV-E.
 - o States are not allowed to use third party in-kind expenditures (or contributions) as a portion of the State share of funds for these programs under title IV-E. (See Child Welfare Policy Manual, section 8.1F, Q#2).
- **Current Quarter Claims (Cols. A and B).** The Total and the Federal share of expenditures made in or allocated to the "Current (Claiming) Quarter" being reported. The Current Quarter is the quarter just ended, for which expenditures are being reported and for which Federal funds are being claimed in these columns.
- **Prior Quarter Adjustments (Col. C and D).** The Total and the Federal share of expenditures made in or allocated to a previous quarter that were either unreported or incorrectly reported on an earlier report. A Prior Quarter is any quarter that ended prior to the start of the current quarter for which expenditures are being reported and for which Federal funds are being claimed in these columns. The "net" amount – combining increasing and decreasing claims – is reported on each line in columns C and D. The individual increasing and decreasing claims are detailed and itemized on Part 2 of this report.

Deadline. In accordance with Sec 1132 of the Social Security Act and Federal regulations at 45 CFR Part 95 Subpart A, increasing prior quarter adjustments must be reported by the State and received by this agency within 2 years of the last day of the fiscal quarter in which the expenditure was made. Unless the State meets one of the criterion for an exception as stated in the regulation, claims for increasing prior quarter adjustments that fail to meet this deadline are subject to disallowance. There is no deadline for decreasing prior quarter adjustments.

Estimates (Cols. E and F). In accordance with the provisions of Section 474(b)(1) of the Social Security Act, this is the Total and Federal share of expenditures the State or Tribe anticipates will be made in the upcoming quarter. The Next (Estimating) Quarter is the quarter about to begin where projected total expenditures and the calculated Federal share are being reported in these columns. These estimates should be based on historical trends, including seasonal, economic or other variations, and should include any costs applicable to a prior quarter for which payments are expected to be made in the next quarter. The ending date of the Next Quarter is always six months after the ending date of the Current Quarter.

FMAP Rate. A Federal Medical Assistance Percentage (FMAP) rate is used by a State or Tribe in determining the Federal share of expenditures for assistance payments under the Foster Care, Adoption Assistance and Guardianship Assistance programs.

State FMAP Rates. These rates are calculated and published annually in the Federal Register by the Department of Health and Human Services pursuant to section 1905(b) of the Act. These rates, ranging from 50 to 83 percent, are based on the relative per capita income of each State.

Tribal FMAP Rates. In accordance with section 474(a) and 479(B)(d) of the Act these rates are calculated for a Tribe that participates in title IV-E programs either through direct administration with an approved title IV-E Tribal plan or through an agreement or contract with one or more States. The calculation of the Tribal FMAP rate is based on the relative per capita income of each Tribe's service population.

- When completing this report, any Tribe that directly operates a title IV-E program through an approved title IV-E Tribal Plan will use either its own calculated FMAP rate or the FMAP rate calculated for the State in which it is located, whichever rate is higher.
- When completing this report, any State that operates a title IV-E program that includes Tribal participants through an agreement or contract with that Tribe, will use either its own calculated FMAP rate or the FMAP rate calculated for the Tribe, whichever rate is higher, for those maintenance assistance payments made to the participants from that Tribe. (Where multiple agreements exist with multiple Tribes, this comparison and calculation must be done separately under each agreement.)

FFP Rate. The Federal Financial Participation (FFP) rate applicable to a program or certain cost categories within a program is specified by statute and is used to calculate the Federal share of program expenditures made by the State or Tribe. The Federal share of administrative expenditures for the programs on this report is calculated at the 50 percent FFP rate, while the Federal share of expenditures for training is calculated at FFP rates ranging from 55 to 75 percent, depending on the nature of the training and the fiscal year in which the costs were incurred.

Foster Care Candidates (Pre-Placement). Children are considered as in a "pre-placement" status when determined by the IV-E agency as at imminent risk of removal from home as evidenced by the agency either pursuing his/her removal from the home or making reasonable efforts to prevent such removal and a decision that the out of home placement for the child will be a foster care setting. Appropriate documentation supporting this determination as prescribed in Departmental policy (see the ACF Children's Bureau Child Welfare Policy Manual) must be maintained and the IV-E agency must make, not less often than every 6 months, a determination (or redetermination) as to whether the child remains at imminent risk of removal from the home. A child may not be simultaneously both in foster care placement and a candidate for foster care.

Foster Care (In-Placement). Children are considered as "in-placement" in a foster care setting where 24-hour substitute care is provided for children placed away from their parents or guardians and for whom the IV-E agency has placement and care responsibility. This includes, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes. A child is in foster care in accordance with this definition regardless of whether the foster care facility is licensed and payments are made by the State/Tribal or local agency for the care of the child, whether adoption subsidy payments are being made prior to the finalization of an adoption, or whether there is Federal funding of any payments that are made.

Federally Recognized Tribe. Any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians. (See Section 4 of the "Indian Self-Determination and Education Assistance Act of 1975.")

[Demonstration Project Costs.](#) These include amounts for performance of project development, evaluation or operations that are chargeable or allocable to a title IV-E demonstration project which has been approved

under Section 1130 of the Act and are in accordance with the approved terms and conditions for that project. Demonstration project costs are reported in Part 3 and the fundable totals are then summarized on the appropriate line (by applicable program) in Part 1.

Line by Line Instructions

Part 1: Expenditures and Estimates

General Information

- Enter the name of the State or Tribe.
- Enter the reporting periods including the ended date of the Current (claiming) quarter and the ending date of the Next (estimating) quarter.
- Enter the report type. Check box to indicate whether this is a new report (first submission for that quarter) or a revision of a report previously submitted for the same quarter.
- All dollar entries must be rounded to the nearest dollar; do not include cents.
- All entries for the average number of children served must be rounded to the nearest whole number.

SECTION A: FOSTER CARE

Line 1. Maintenance Assistance Payments (FMAP Rate). Enter the payments, as defined in Section 475(4)(A) of the Act, made on behalf of children determined eligible for Foster Care services under title IV-E.

Amounts entered on this line are only those payments made directly by the IV-E agency. Payments made under the terms of a Tribe-State IV-E agreement are reported separately on Line 2. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

❖ *(Enter this amount directly on this form.)*

Line 2. TribalTribe-State Agreement Maintenance Assistance Payments (at the applicable FMAP Rate).

o TRIBES: *Leave this line blank.*

o STATES: *This line is applicable only to States that have IV-E agreements with Tribes.*

Enter the payments, as defined in Section 475(4)(A) of the Act, made on behalf of children determined eligible for Foster Care services under title IV-E.

Amounts entered on this line are only those payments made by the State IV-E agency in accordance with the terms of a TribalTribe-State IV-E agreements with one or more Federally recognized Tribes. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribe FMAP rate, whichever is higher. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe.

If a State title IV-E agency is operating a title IV-E Foster Care demonstration project, children served through a Tribal-State title IV-E agreement are treated for financial reporting purposes as outside of the project unless specifically identified as included in the approved project terms and conditions.

If the State does not have a title IV-E agreement with any Federally-recognized Tribe no entries should be made on this line.

❖ (Enter this amount directly on this form.)

Line 3. Federal Share of Child Support Collections. Enter the Federal share of Child Support Collections.

0 **TRIBES:** Leave this line blank.

0 **STATES:** This line is applicable only to States.

- ❖ (The Current Quarter amount in column B is carried from the amount calculated on Line 10a, Col G, of Form OCSE-34, the "Child Support Enforcement Program Quarterly Collection Report")
- ❖ The Next Quarter Estimate in Column F is carried from the amount reported on Line 9, Col F, of Form OCSE-396, the "Child Support Enforcement Program Quarterly Financial Report").

Line 4. Net Maintenance Assistance Payments. Enter the net amount of assistance payments being claimed and estimated for Federal funding in columns B, D and F, respectively.

❖ (Calculated as the sum of Lines 1 and 2 minus Line 3)

Line 5. In-Placement Administrative Costs - Case Planning and Management. Enter the amount expended for title IV-E eligible children in a Foster Care placement for the development, review or revision of case plans or the supervision or management of cases. Case planning activities largely comport with the "case plan" and "case review system" requirements as defined in Section 475(1) and (5), respectively of the Social Security Act. Examples of activities included within case management are referral to services, preparation for and participation in judicial proceedings and placement of the child. It should be noted that costs incurred for similar activities on behalf of children not in foster care but determined as candidates for title IV-E Foster Care must be reported separately on Line 10.

Any title IV-E Foster Care administrative costs (Lines 5-10) incurred on behalf of children participating in an operational title IV-E Foster Care demonstration project are reported in Part 3 of this form (rather than on these lines) to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project's target population (see approved project terms and conditions).

❖ (Enter this amount directly on this form.)

Line 6. In-Placement Administrative Costs - Eligibility Determination. Enter the amount directly related only to those activities involved in the actual verification and documentation of title IV-E eligibility on behalf of children in a foster care placement. Costs for staff responsible for the determination of eligibility for a number of programs including title IV-E Foster Care must be allocated to the appropriate benefiting program. Activities related to judicial determinations, placement of the child or periodic court or administrative reviews are not a component of eligibility determination costs.

❖ (Enter this amount directly on this form.)

Line 7. In-Placement Administrative Costs - Provider Management. Enter the amount of expenditures for foster care provider related in-placement foster care administrative activities, not included in Lines 5 and 6, whose costs may be directly chargeable or partially allocable to title IV-E foster care. Examples of provider management type activities include foster parent recruitment, the licensing/approval of foster homes and child care institutions, the conducting of criminal records and child abuse registry checks of a foster family home or an institution, the holding of foster care related fair hearings and operation of a rate setting or rate monitoring unit.

❖ (Enter this amount directly on this form.)

Line 8. In-Placement Administrative Costs – Agency Management. Enter the amount of expenditures for any other allowable foster care in-placement program management administrative activities incurred by the IV-E agency, not included in Lines 5, 6 or 7, whose costs may be directly chargeable or partially allocable to title IV-E Foster Care. Pre-placement administration is performed on behalf of children prior to entry into foster care and is, therefore, reported separately on Line 10. Examples of agency program management activities potentially associated with the administration of title IV-E Foster Care are the allocated share of non-SACWIS automated data processing activities, policy development, data collection and reporting, financial management (i.e. processing of checks and preparation of claiming schedules), administration associated with the provision of training, operation of a quality assurance system and a proportionate share of related agency overhead.

Expenditures reported on this line must be the net amount after being offset by the total amount of any income that may result from the operation of the program (e.g. fees charged for the conduct of out-of-state requested home studies).

❖ *(Enter this amount directly on this form.)*

Line 9. Total In-Placement Foster Care Administrative Costs. Enter the total amount of title IV-E Foster Care (in-placement) administrative expenditures being claimed for Federal funding. (Expenditures for the development and operation of a SACWIS includes incurring costs for title IV-E Foster Care and certain other programs in accordance with requirements in Federal regulations at 45 CFR 1355.53 are reported separately on Lines 11-14 and are not included in the amount reported as in-placement foster care administration.)

❖ *(Calculated as the sum of Lines 5 through 8.)*

Line 10. Candidate Administrative Costs - Pre-Placement Activities. Enter the amount for allowable pre-placement activities applicable to individual children who have been determined as candidates for placement in title IV-E-Foster Care. Such a child must be at imminent risk of removal from home as evidenced by the IV-E agency either pursuing his/her removal from the home or making reasonable efforts to prevent such removal and redetermines at least every six months that the child remains at imminent risk of removal from the home. All allowable administrative costs on behalf of children not in placement must be reported on this line.

❖ *(Enter this amount directly on this form.)*

Line 11. SACWIS Operational Costs. Enter the expenditures made for the operation and maintenance of an automated system that ~~either~~ in accordance with either: (1) the terms of an approved advanced planning document (APD); (2) the terms of an approved operational advance planning document (OAPD) for a partially completed system; or (3) an occasion where an APD is no longer required for a completed system (APD has been closed out by ACF) is determined by ACF to meet the requirements to be designated as a Statewide Automated Child Welfare Information System (SACWIS). Reported expenditures must be allocated in accordance with Federal regulations at 45 CFR 1355.57 through use of an approved cost allocation plan as per 45 CFR 95.507 (States) or an approved child welfare cost allocation methodology (Tribes). ~~Do not include planning, design, development, implementation or enhancement costs.~~

Where an APD is required, no expenditures may be claimed on this line unless the APD has been approved in accordance with the provisions of 45 CFR Part 95 Subpart F.

Do not include:

- SACWIS developmental planning, design, development, implementation or enhancement costs. These expenditures are reported on Line 12, 13 or 14 depending on the existence and status of an APD.
- Automated data processing (ADP) costs associated with the development, purchase or operation of non-SACWIS systems used in day-to-day office procedures. These are routine administrative costs that are reported on Line 8.

- [If the title IV-E agency has an approved and operational title IV-E Foster Care demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form \(rather than on this line\) to the extent specified in the project's approved project terms and conditions.](#)
 - ❖ *(Enter this amount directly on this form.)*

Line 12. SACWIS Developmental Costs (Under the Terms of an Approved Advanced Planning Document [APD]) - Project 1. Enter on this line expenditures made in accordance with the terms of an approved APD for the planning, design, development, implementation or enhancement of an automated Statewide Automated Child Welfare Information System (SACWIS). No expenditures may be claimed on this line unless approved in accordance with the provisions of 45 CFR Part 95 Subpart F. Where a State or Tribe has more than one SACWIS project with approved APDs, the amounts reported on this line are those attributable to the initial SACWIS or to a developmental effort designated as SACWIS "Project 1."

Do not include:

- Expenditures made under an approved APD for a SACWIS "Project 2." Those expenditures are reported on Line 13.
- [Expenditures made for further development of a SACWIS that are not subject to an approved APD. These expenditures are reported on Line 14.](#)
- Operation and maintenance costs. Those expenditures are reported on Line 11.
- Automated data processing (ADP) costs associated with the development, purchase or operation of non-SACWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that are reported on Line 8.
 - ❖ *(Enter this amount directly on this form.)*

Line 13. SACWIS Developmental Costs (Under the Terms of an Approved Advance Planning Document - Project 2. If a State or Tribe has initiated more than one SACWIS project, enter on this line expenditures made in accordance with the terms of an approved APD for "Project 2" for the planning, design, development, implementation or enhancement of an automated SACWIS. No expenditures may be claimed on this line unless approved in accordance with the provisions of 45 CFR Part 95 Subpart F. Where a State [or Tribe](#) does not have an approved APD designated for a SACWIS Project 2, no entry should be made on this line.

Do not include:

- Expenditures made under an approved APD for a SACWIS "Project 1." Those expenditures are reported on Line 12.
- [Expenditures made for further development of a SACWIS that are not subject to an approved APD. These expenditures are reported on Line 14.](#)
- SACWIS operation and maintenance costs. These costs are reported on Line 11.
- Automated data processing (ADP) costs associated with the development, purchase or operation of non-SACWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that are reported on Line 8.
 - ❖ *(Enter this amount directly on this form.)*

Line 14. SACWIS Developmental Costs. (No Advanced Planning Document required.) Expenditures made by a IV-E agency that has completed a SACWIS development APD project and has initiated further SACWIS development work for activities and costs which do not meet the applicable threshold requiring prior written approval (see 45 CFR 95.611). An example of such an activity could be development of modifications to existing system screens to reflect statutorily or other required changes. Cumulative expenditures reported on this line should be carefully tracked by the IV-E agency to assure that the applicable prior approval threshold has not been reached.

Do not include:

- Expenditures made under an approved APD for a SACWIS “Project 1” or a SACWIS “Project 2.” Those expenditures are reported on Lines 12 and 13, respectively.
- SACWIS operation and maintenance costs. These costs are reported on Line 11.
- Automated data processing (ADP) costs associated with the development, purchase or operation of non-SACWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that to the extent allocable to title IV-E foster care are reported on Line 8.
 - ❖ *(Enter this amount directly on this form.)*

Line 15. Training Costs - Staff and Provider (At the 75 percent FFP rate). Enter the allocated amount of expenditures incurred for the development, delivery or participation in training by eligible individuals. (See 45 CFR 235.63 through 235.66(a) & 1356.60(b)(1)). Eligible individuals include IV-E agency staff and certain others providing care to children in receipt of title IV-E Foster Care.

The training topics must be closely related to one of the examples of allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2). All training activities and costs funded under title IV-E shall be included in the title IV-E agency’s training plan for title IV-B.

Do not include: Do not report

- Expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible. Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allocable to title IV-E Foster Care and qualify as an allowable administrative cost, it should be reported on line 8.
- Foster Care training provided to “professional partners”. These expenditures, to the extent allocable to title IV-E, are reported on Line 16.
- If the title IV-E agency has an approved and operational title IV-E Foster Care demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project’s approved project terms and conditions.
 - ❖ *(Enter this amount directly on this form.)*

Line 16. Training Costs - Professional Partner (At Transitional FFP Rates). Enter the allocated amount of expenditures incurred for the development and delivery of short-term training related to title IV-E Foster Care to eligible participants. Eligible participants include:::

- Tribe/State-licensed or approved child welfare agency staff providing services to children receiving title IV-E assistance;
- Child abuse and neglect court personnel;
- Agency, child or parent attorneys;
- Guardians ad litem; and;
- Court appointed special advocates.

This training must be in accordance with section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year “transitional” period (see section 203(b) of P.L. 110-351).

- 55 percent in FY 2009;
- 60 percent in FY 2010;
- 65 percent in FY 2011;
- 70 percent in FY 2012;
- 75 percent in FY 2013 and thereafter

All training activities and costs funded under title IV-E shall be included in the title IV-E agency’s training plan for title IV-B. Some costs associated with title IV-E training such as those derived through the application of

an indirect cost rate may not qualify as training costs. To the extent that any such amount may allowable as a title IV-E administrative cost, it should be reported on line 8.

Do not include:

- Foster Care training provided to “staff and providers”. These expenditures, to the extent allocable to title IV-E, are reported on Line 15.
- If the title IV-E agency has an approved and operational title IV-E Foster Care demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project’s approved project terms and conditions.
 - ❖ *(Enter this amount directly on this form.)*

Line 17. Demonstration Project Costs. Enter the amount for approved demonstration projects for Foster Care authorized under Section 1130 of the Social Security Act, ~~excluding expenditures for Control/Comparison groups~~ as computed on Part 3 of this form.

- ❖ *(This amount is carried from the amount calculated on Part 3, Line ~~25c17~~ of this form.)*

Line 18. Total Costs. Enter the total expenditures being claimed for the current quarter (Columns A and B) and for prior quarters (Columns C and D) and the expenditures being estimated for the next quarter (Column E and F).

- ❖ *(Calculated as:*
 - Cols. A and C: Sum of Lines 1 + 2 + 9 through 17;
 - Cols. B and D: Sum of Lines 4 + 9 through 17;
 - Col. E: Sum of Lines 1 + 2 + 12 through 17 and
 - Col. F: Sum of Lines 4 + 12 through 17*)*

Line 19. Non-Federal (State or Tribal/Tribe) Share of Total Costs. Enter in Columns B, D and F the Tribal/Tribe/State share amount of total reported costs for the current quarter, prior quarter adjustments and for next quarter estimates. These are the funds that the IV-E agency has expended in the current or a prior quarter or is certifying that will be made available, when needed, for the required Tribal/Tribe/State share of program costs in the next quarter.

- *For States:* Include funds appropriated by the State legislature for these purposes.
- *For Tribes:* Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 20)
 - ❖ *(Calculated as:*
 - Col. B = Line 18, Col. A minus Line 18, Col. B;
 - Col. D = Line 18, Col. C minus Line 18, Col. D and
 - Col. F = Line 18, Col. E minus Line 18, Col. F).*)*

Line 20. Tribal Share of Costs From Third Party In-Kind Sources.

o TRIBES: Complete this line.

o STATES: Leave this line blank. This information is not applicable to States.

Enter in Columns B, D and F the portion of the amount reported on Line 19 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of its share of administrative and training costs. The option for Tribes to partially utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with section 479B(c)(1)(D) of the Act and applicable regulations.

- ❖ *(Enter this amount directly on this form.)*

SECTION B: ADOPTION ASSISTANCE

Line 21. Adoption Assistance Payments (FMAP Rate). Enter the payments made by the IV-E agency in accordance with an Adoption Assistance agreement entered prior to the finalization of the adoption on behalf of children with special needs, as defined in section 473(c) of the Act, determined eligible under title IV-E in accordance with Section 473(a)(2) of the Act.

Amounts entered on this line are only those payments made directly by the IV-E agency. Payments made under the terms of a TribalTribe-State IV-E agreement are reported separately on Line 22. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds, etc.). Title IV-E Adoption Assistance payments on behalf of children participating in an operational title IV-E Adoption Assistance demonstration project are reported in Part 3 of this form to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project’s target population (see approved project terms and conditions).

The Federal share of these payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

❖ *(Enter this amount directly on this form.)*

Line 22. TribalTribe-State IV-E Agreement Adoption Assistance Payments (Applicable FMAP Rate).

o TRIBES: Leave this line blank.

o STATES: This line is applicable only to States that have IV-E agreements with Tribes.

Enter the payments made in accordance with an Adoption Assistance agreement entered prior to the finalization of the adoption on behalf of children with special needs (as defined in section 473(c) of the Social Security Act) determined eligible under title IV-E in accordance with Section 473(a)(2) of the Act.

Amounts entered on this line are only those payments made by the State IV-E agency in accordance with the terms of TribalTribe-State IV-E agreements with one or more Federally recognized Tribe. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds, etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribe FMAP rate, *whichever is higher*. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe.

If a State title IV-E agency is operating a title IV-E Adoption Assistance demonstration project, children served through a Tribal-State title IV-E agreement are treated for financial reporting purposes as outside of the project unless specifically identified as included in the approved project terms and conditions

If the State does not have a title IV-E agreement with any Federally-recognized Tribe no entries should be made on this line.

❖ *(Enter this amount directly on this form.)*

Line 23. Administrative Costs - Agency. Enter the amount of expenditures for administrative activities allocable to the title IV-E Adoption Assistance Program, in accordance with an approved or pending public assistance cost allocation plan under Federal regulations at 45 CFR Part 95 Subpart E – Cost Allocation Plans 95-507 (States) or an approved child welfare cost allocation methodology and negotiated indirect cost rate (Tribes).

Expenditures reported on this line must be a “net” amount, offset by the amount of any income that may result from the operation of the program. (Expenditures for non-recurring administrative costs must be identified separately and reported on Line 24.)

Any title IV-E Adoption Assistance administrative costs (Lines 23-24) incurred on behalf of children participating in an operational title IV-E Adoption Assistance demonstration project are reported in Part 3 of this form (rather than on these Lines) to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project’s target population (see approved project terms and conditions).

❖ (Enter this amount directly on this form.)

Line 24. Administrative Costs - Non-Recurring. Enter the amount of expenditures for nonrecurring adoption expenses. These are costs incurred in accordance with an adoption assistance agreement entered into prior to the finalization of the adoption of a child who meets the definition of special needs. (See section 473 (c) of the Act.) These costs are limited to \$2,000 for each adoptive placement or at a lower limit set by the State or Tribe.

The child does not have to be under the responsibility for placement and care of the title IV-E agency in order for the adoptive parents to be reimbursed for the nonrecurring expenses of adoption. In accordance with 45 CFR 1356.41(i), non-recurring costs include the reasonable and necessary adoption fees, court costs, attorney fees and other expenses which are directly related to the legal adoption of a child with special needs, which are not incurred in violation of State, Tribe or Federal law, and which have not been reimbursed from other sources or funds.

❖ (Enter this amount directly on this form.)

Line 25. Training Costs - Staff and Provider (At the 75 percent FFP rate). Enter the allocated amount of expenditures incurred for the development, delivery or participation in training by eligible individuals.(See 45 CFR 235.63 through 235.66(a) & 1356.60(b)(1)). Eligible individuals include IV-E agency staff and certain others providing care to children in receipt of title IV-E Adoption Assistance

The training topics must be closely related to one of the examples of allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2). All training activities and costs funded under title IV-E shall be included in the IV-E agency’s training plan for title IV-B.

Do not include:

- ~~Do not report e~~Expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible. Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allocable to title IV-E Adoption Assistance and qualify as an allowable administrative cost, it should be reported on line 23.
- Adoption Assistance training provided to “professional partners”. These expenditures, to the extent allocable to title IV-E, are reported on Line 26.
- If the IV-E agency has an approved and operational title IV-E Adoption Assistance demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project’s approved project terms and conditions.

❖ (Enter this amount directly on this form.)

Line 26. Training Costs - Professional Partner (At Transitional FFP Rates). Enter the allocated amount of expenditures incurred for the development and delivery of short-term training related to title IV-E Adoption Assistance to eligible participants. Eligible participants include:

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- Tribe/State-licensed or approved child welfare agency staff providing services to children receiving title IV-E assistance;
- Child abuse and neglect court personnel;
- Agency, child or parent attorneys;
- Guardians ad litem; and
- Court appointed special advocates.

This training must be in accordance with section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year “transitional” period (see section 203(b) of P.L. 110-351):

- 55 percent in FY 2009;
- 60 percent in FY 2010;
- 65 percent in FY 2011;
- 70 percent in FY 2012;
- 75 percent in FY 2013 and thereafter

All training activities and costs funded under title IV-E shall be included in the IV-E agency's training plan for title IV-B. Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may allowable as a title IV-E administrative cost, it should be reported on line 23.

Do not include:

- Adoption Assistance training provided to “staff and providers”. These expenditures, to the extent allocable to title IV-E, are reported on Line 25.
- If the title IV-E agency has an approved and operational title IV-E Foster Care demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project's approved project terms and conditions.

❖ (Enter this amount directly on this form.)

Line 27. Demonstration Project Costs. Enter the amount for approved demonstration projects for Adoption Assistance authorized under Section 1130 of the Social Security Act, ~~excluding expenditures for Control/Comparison groups~~, as computed on Part 3 of this form.

❖ (This amount is carried from the amount calculated on Part 3, Line ~~25c17~~ of this form.)

Line 28. Total Costs. Enter the total expenditures being claimed for the current quarter (Columns A and B) and for prior quarters (Columns C and D) and the expenditures being estimated for the next quarter (Column E and F).

❖ (Calculated as the sum of Lines 21 through 27.)

Line 29. Non-Federal (State or Tribe) Share of Total Costs. Enter in Columns B, D and F the Tribe/State share amount of total reported costs for the current quarter, prior quarter adjustments and for next quarter estimates. These are the funds that the IV-E agency has expended in the current or a prior quarter or is certifying that will be made available, when needed, for the required Tribe/State share of program costs in the next quarter.

- *For States:* Include funds appropriated by the State legislature for these purposes.
- *For Tribes:* Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 30)
 - ❖ (Calculated as:
 - Col. B = Line 28, Col. A minus Line 28, Col. B;
 - Col. D = Line 28, Col. C minus Line 28, Col. D and

- Col. F = Line 28, Col. E minus Line 28, Col. F).

Line 30. Tribal Share of Costs Claimed/Estimated From Third Party In-Kind Sources.

0 TRIBES: Complete this line.

0 STATES: Leave this line blank. This information is not applicable to States.

Enter in Columns B, D and F the portion of the amount reported on Line 19 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of its share of administrative and training costs. The option for Tribes to utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with section 479B(c)(1)(D) of the Act and applicable regulations.

❖ *(Enter this amount directly on this form.)*

SECTION C: GUARDIANSHIP ASSISTANCE

NOTE: This section is ONLY to be completed by those States or Tribes that have an approved IV-E plan to operate a title IV-E Guardianship Assistance Program or by States that are continuing to incur title IV-E Post-Demonstration Guardianship expenditures after the termination of a title IV-E guardianship assistance demonstration project.

Line 31. Guardianship Assistance Payments (FMAP Rate).

Enter the payments made on behalf of children determined eligible for the title IV-E Guardianship Assistance Program (GAP) in accordance with section 473(d) of the Act.

Amounts entered on this line are only those payments made directly by the IV-E agency. Payments made under the terms of a [Tribal/Tribe-State IV-E agreement](#) are reported separately on Line 32. This must be a "net" amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

Under the Guardianship Assistance Program these payments must be in conformance with a written, binding kinship guardianship assistance agreement entered into with the prospective relative guardian prior to the legal guardianship (See section 473(d)(1)(A) of the Act). Once the relative guardian has committed to care for the child and has assumed legal guardianship for the child consistent with the provisions of sections 471(a)(28) and 475(7) of the Act, the title IV-E agency may then pay kinship guardianship assistance payments on behalf of a child to the relative guardian. Payments may begin no earlier than the first day of the quarter in which the approved title IV-E plan amendment to implement the GAP was submitted to ACF by the State or Tribe (See sections 471(a)(28) and 473(d)(1)(A) of the Act).

Payments reported on this line may include those made on behalf of newly established title IV-E kinship guardianships as well as those made on behalf of any title IV-E eligible kinship guardianships where agreements were established prior to the GAP title IV-E plan submission. These agreements must meet, or must be amended to meet, the requirements of section 473(d)(1)(B) and (C) of the Act before these payments can be reported on this line. Payments made prior to the effective date of the approved title IV-E plan must not be reported.

[Title IV-E guardianship assistance payments on behalf of children participating in an operational title IV-E Guardianship Assistance demonstration project are reported in Part 3 of this form to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project's target population \(see approved project terms and conditions\).](#)

The Federal share of these payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

❖ (Enter this amount directly on this form.)

Line 32. Tribe-State IV-E Guardianship Assistance Payments (Applicable FMAP Rate).

o **TRIBES: Leave this line blank.**

o **STATES: This line is applicable only to States that have IV-E agreements with Tribes.**

Enter the payments made on behalf of children determined eligible for the Guardianship Assistance Program (GAP) accordance with section 473(d) of the Act.

Amounts entered on this line are only those payments made by the State IV-E agency in accordance with the terms of ~~Tribal~~Tribe-State IV-E agreements with one or more Federally recognized Tribe. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.).

Under the Guardianship Assistance Program these payments must be in conformance with a written, binding kinship guardianship assistance agreement entered into with the prospective relative guardian prior to the establishment of legal guardianship per section 473(d)(1)(A) of the Act. Once the relative guardian has committed to care for the child and has assumed legal guardianship for the child consistent with sections 471(a)(28) and 475(7) of the Act, the title IV-E agency may then pay kinship guardianship assistance payments on behalf of a child to the relative guardian. Such payments may begin no earlier than the first day of the quarter in which the approved title IV-E plan amendment to implement the GAP was submitted to ACF by the State (section 471(a)(28) and 473(d)(1)(A) of the Act).

Payments reported on this line may include those made on behalf of newly established title IV-E kinship guardianships as well as those made on behalf of any title IV-E eligible kinship guardianships where agreements were established prior to the GAP title IV-E plan submission. These agreements must meet, or must be amended to meet, the requirements of section 473(d)(1)(B) and (C) of the Act before these payments are reported on this line. Payments made prior to the effective date of the approved title IV-E plan must not be reported.

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribe FMAP rate, *whichever is higher*. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe.

If a State title IV-E agency is operating a title IV-E Guardianship Assistance demonstration project, children served through a Tribal-State title IV-E agreement are treated for financial reporting purposes as outside of the project unless specifically identified as included in the approved project terms and conditions.

If the State does not have a title IV-E agreement with any Federally-recognized Tribe no entries should be made on this line.

❖ (Enter this amount directly on this form.)

Line 33. Administrative Costs - Agency. Enter the amount of expenditures for administrative activities allocable to the title IV-E Guardianship Assistance Program, in accordance with an approved or pending public assistance cost allocation plan under Federal regulations at 45 CFR 95.507 Part 95 Subpart E – Cost Allocation Plans (States) or an approved child welfare cost allocation methodology and a negotiated indirect cost rate-(Tribes).

Expenditures reported on this line must be a “net” amount, offset by any income that may result from the operation of the program. Any non-recurring costs associated with obtaining legal guardianship must be reported on Line 34.

Any title IV-E Guardianship Assistance administrative costs (Lines 33-34) incurred on behalf of children participating in an operational title IV-E Adoption Assistance demonstration project are reported in Part 3 of this form (rather than on these Lines) to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project’s target population (see approved project terms and conditions).

❖ *(Enter this amount directly on this form.)*

Line 34. Administrative Costs - Non-Recurring. Enter the amount of expenditures for allowable non-recurring expenses associated with obtaining legal guardianship of an eligible child, to the extent that the total cost does not exceed \$2,000 and is incurred in accordance with a kinship guardianship assistance agreement entered into with a qualified relative guardian prior to obtaining legal guardianship.

❖ *(Enter this amount directly on this form.)*

Line 35. Training Costs – Staff (At the 75 percent FFP rate). Enter the allocated amount of expenditures incurred for the development, delivery or participation in training by eligible individuals staff, including State or Tribe title IV-E staff serving children receiving Guardianship Assistance. (See 45 CFR 235.63 through 235.66(a) and 1356.60(b)(1)(i)).

The training topics must be closely related to one of the examples of allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2). All training activities and costs funded under title IV-E shall be included in the IV-E agency's training plan for title IV-B. Do not report expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible.

Do not include Guardianship Assistance training provided to “relative guardians and professional partners”. These expenditures, to the extent allocable to title IV-E, are reported on Line 36.

Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allocable to title IV-E Guardianship Assistance and qualify as an allowable administrative cost, it should be reported on line 33.

Additionally, if the title IV-E agency has an approved and operational title IV-E Guardianship Assistance demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project’s approved project terms and conditions.

❖ *(Enter this amount directly on this form.)*

Line 36. Training Costs - Relative Guardian and Professional Partner (At Transitional FFP Rates). Enter the allocated amount of expenditures incurred for the development and delivery of short-term training related to title IV-E Guardianship Assistance to eligible participants. Eligible participants include:

- Relative guardians,
- Tribe/State-licensed or approved child welfare agency staff providing services to children receiving title IV-E assistance;
- Child abuse and neglect court personnel;
- Agency, child or parent attorneys;
- Guardians ad litem; and,
- Court appointed special advocates.

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This training must be in accordance with section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year “transitional” period (see section 203(b) of P.L. 110-351):

- 55 percent in FY 2009;
- 60 percent in FY 2010;
- 65 percent in FY 2011;
- 70 percent in FY 2012;
- 75 percent in FY 2013 and thereafter

All training activities and costs funded under title IV-E shall be included in the IV-E agency's training plan for title IV-B. Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may allowable as a title IV-E administrative cost, it should be reported on line 33.

Do not include Guardianship Assistance training provided to “staff”. These expenditures, to the extent allocable to title IV-E, are reported on Line 35.

Additionally, if the title IV-E agency has an approved and operational title IV-E Guardianship Assistance demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project's approved project terms and conditions.

❖ *(Enter this amount directly on this form.)*

Line 37a. Demonstration Project Costs. Enter the amount for approved demonstration projects for Guardianship Assistance authorized under Section 1130 of the Act as computed on Part 3 of this form.

❖ *(This amount is carried from the amount calculated on Part 3, Line 25c of this form.)*

Line 37b37. Post-Demonstration Guardianship Assistance and Services Costs.

o TRIBES: Leave this line blank.

STATES: This line is applicable only to States that operate Guardianship Assistance Demonstration Projects. This line is applicable only to States that formerly operated title IV-E Foster Care demonstration projects that provided guardianship assistance and services. It should not be confused with Line 37a which covers the costs of any currently approved Guardianship Assistance demonstration project.

Enter the amount for “title IV-E Post-Demonstration Guardianship” expenditures. This line is applicable only for those States with approved waiver title IV-E Foster Care demonstration projects providing kinship guardianship assistance or services pursuant to section 1130 of the Act that have ended. Expenditures associated with continued operation (i.e. prior quarter adjustments) or close-out of the demonstration project are to be reported in Part 3 of this report. Upon termination of such a project, the title IV-E State agency may continue to claim title IV-E for the same assistance and services under the same terms and conditions that a child received under a kinship guardianship demonstration project as of September 30, 2008. The IV-E costs of such operations must be reported on this line. In accordance with Section 474(g) of the Act, tThis claiming authority exists whether or not the State opts to operate a GAP pursuant to 473(d) of the Act (section 474(g) of the Act). These States must complete Section C even though the option to operate a GAP has not been exercised.

In the event that there are children that began participation in an approved waiver demonstration project providing assisted guardianship on or after October 1, 2008 where the project has now been terminated, any continuing expenditures on behalf of these children incurred after termination are not to be reported on this line. Such costs may be title IV-E allowable only if the State has an approved GAP title IV-E plan amendment and then only to the extent that all title IV-E eligibility and other applicable requirements are met. If these

conditions are met, expenditures on behalf of such children must be reported as part of the State title IV-E agency's GAP claims on lines 31 and 33.

❖ (Enter this amount directly on this form.)

Line 38. Total Costs. Enter the total expenditures being claimed for the current quarter (Columns A and B) and prior quarters (Columns C and D) and the total estimate for the next quarter (Column E and F).

❖ (Calculated as the sum of Lines 31-37.)

Line 39. Non-Federal (State or TribalTribe) Share of Total Costs. Enter in Columns B, D and F the TribalTribe/State share amount of total reported costs for the current quarter, prior quarter adjustments and for next quarter estimates These are the funds that the IV-E agency has expended or is certifying (for estimate purposes) will be made available for the required TribalTribe/State share of program costs.

- For States: Include funds appropriated by the State legislature for these purposes.
- For Tribes: Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 40)

(Calculated as follows:

- Col. B = Line 38, Col. A minus Line 38, Col. B;
- Col. D = Line 38, Col. C minus Line 38, Col. D and
- Col. F = Line 38, Col. E minus Line 38, Col. F).

Line 40. Tribal Share of Costs Claimed/Estimated From Third Party In-Kind Sources.

o TRIBES: Complete this line.

o STATES: Leave this line blank. This information is not applicable to States.

Enter in Columns B, D and F the portion of the amounts reported on Line 39 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of its share for administrative and training costs. The option for Tribes to utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with section 479B(c)(1)(D) of the Act and applicable regulations.

❖ (Enter this amount directly on this form.)

SECTION D: AVERAGE MONTHLY NUMBER OF CHILDREN ASSISTED

Report the requested information for the current quarter claims (actual) and for the next quarter estimates (estimate).

▪ Foster Care Program

Line 41. Number of Children: In-Placement - Title IV-E Maintenance Assistance Payments. Enter the average monthly number of children for whom title IV-E Foster Care maintenance assistance payments reported on Lines 1 and 2 were made for the current quarter and are estimated to be made for the next quarter.

Line 42. Number of Children: In-Placement - Title IV-E Funded Administrative Costs. Enter the average monthly number of children on whose behalf title IV-E Foster Care in-placement administrative costs reported on Line 9 were incurred or are estimated excluding any children for whom an eligibility determination was the only activity performed.

This number includes all of the children reported on Line 41 (determined to meet all title IV-E eligibility criteria.), Depending on the title IV-E agency's approved cost allocation methodology, this number may also include certain additional title IV-E eligible children on whose behalf no assistance payments were or will be made (e.g., the child is considered to be in foster care while participating in a trial home visit for the entire quarter or the payment is not issued during the quarter due to billing or processing delays). Finally, this number may also include children on whose behalf any assistance payments provided or expected to be provided (for estimate purposes) are not claimed as title IV-E maintenance assistance payments due to circumstances as listed below:

~~but may also include certain other IV-E eligible children where any assistance payments provided are not claimed as title IV-E maintenance assistance payments (e.g. SSI) or children in other circumstances as listed below:~~

- Children who are eligible for title IV-E but who are receiving SSI in lieu of title IV-E Foster Care maintenance assistance payments (see the Child Welfare Policy Manual, Section 8.4D).
- In accordance with section 472(i) of the Social Security Act, the IV-E agency may submit a title IV-E claim for administrative costs on behalf of an otherwise eligible child placed in an unlicensed or unapproved relative home for 12 months or the average length of time it takes to license or approve a foster family home, whichever is less. During this time, an application for licensure or approval of the relative home as a foster family home must be pending (section 472(i)(1)(A) of the Social Security Act).

Administrative costs must not be claimed for a child placed in an unlicensed or unapproved foster family home where the foster parent is not related to the child. A relative is defined by section 406(a) of the Social Security Act as in effect on July 16, 1996, and implemented in 45 CFR 233.90(v).

- Administrative costs may be claimed on behalf of an otherwise IV-E eligible child for a period of not more than one calendar month when a child moves from a facility not eligible for payments under title IV-E into a licensed or approved foster family home or child care institution (section 472(i)(1)(B) of the Social Security Act). All such claims must also be in accordance with an approved public assistance cost allocation plan as per Federal regulations at 45 CFR 95.507 (States) or an approved child welfare cost allocation methodology (Tribes).

Line 43. Number of Children: In-Placement - Any Payments or Administrative Costs. Enter the average monthly number of all children in foster care for whom any payments were made and/or administrative costs incurred (regardless of funding source). This includes all children in foster care (including those title IV-E eligible children reported on Line 42) whether or not title IV-E eligible. Foster care is defined at 45 CFR 1355.20 as 24 hour substitute care for all children placed away from their parent(s) or guardian(s) and for whom the State agency has placement and care responsibility. Common examples of funding sources used by some IV-E agencies for foster care include title IV-E, TANF, SSI and Tribe/State-only categories.

Line 44. Number of Children: Pre-Placement –Title IV-E Funded Candidate Administrative Costs. Enter the average monthly number of children on whose behalf title IV-E candidate pre-placement administrative costs reported on Line 10 of this Part and Lines 1b and 5c of Part 3 (Foster Care) were incurred.

These are children at imminent risk of removal from home where the State agency is either pursuing his/her removal from the home or making reasonable efforts to prevent such removal. Thus, the IV-E agency has determined they are "candidates" for foster care and not less often than every six months must make a determination (or redetermination) as to whether the child remains at imminent risk of removal from the home.

If pre-placement cost claims are derived through application of an allocation statistic such as the foster care eligibility rate to a pool of candidate cases, the number to be reported on this line is the average monthly number of children in that pool multiplied by the applicable allocation statistic. For example, if the total average monthly population of foster care candidates is 1,000 children and a caseload eligibility allocation statistic of 50% is used (in accordance with an approved cost allocation plan) to identify the title IV-E component of the cost pool(s) associated with foster care candidate cases, the IV-E agency should report 500 (1,000 x 50%) as the title IV-E pre-placement caseload.

▪ **Adoption Assistance Program**

Line 45. Number of Children: Title IV-E Assistance Payments. Enter the average monthly number of children for whom the title IV-E adoption assistance payments reported on Lines 21 and 22 [of this Part and Lines 1a and 5a of Part 3 \(Adoption Assistance\)](#) were made for the current quarter and are estimated to be made for the next quarter.

Line 46. Number of Children: Any Assistance Payments. Enter the average monthly number of children for whom the IV-E agency made any adoption assistance payments (regardless of funding source). This includes all children in subsidized adoptive homes (including those title IV-E eligible children reported on Line 45) whether or not title IV-E eligible. Adoption is as defined at 45 CFR 1355.20. Adoption assistance is any recurring payment made in accordance with an adoption assistance agreement.

Line 47. Number of Children: Title IV-E Non-Recurring Administrative Cost Expenses. Enter the average monthly number of children on whose behalf a non-recurring cost was reported on Line 24 [of this Part and Lines 1b and 5b of Part 3 \(Adoption Assistance\)](#). It should be noted that the portion of these children on whose behalf title IV-E adoption assistance payments are being made will also be reported on line 45.

▪ **Guardianship Assistance Program**

NOTE: The following lines are only to be completed by those States or Tribes that have an approved IV-E plan to operate a title IV-E Guardianship Assistance Program or by States that are continuing to incur title IV-E Post-Demonstration Guardianship expenditures after the termination of a title IV-E guardianship assistance demonstration project.

Line 48. Number of Children: Title IV-E Assistance Payments. Enter the average monthly number of children for whom the title IV-E kinship guardianship assistance payments reported on Lines 31 and 32 [of this Part and Lines 1a and 5a of Part 3 \(Guardianship Assistance\)](#) were made for the current quarter and are estimated to be made for the next quarter.

Line 49. Number of Children: Any Assistance Payments. Enter the average monthly number of children for whom the title IV-E agency made any guardianship assistance payments (regardless of funding sources). This includes all children in assisted guardian homes (including those title IV-E eligible children reported on Line 48) whether or not title IV-E eligible. Guardianship assistance is any recurring payment made in accordance with a guardianship assistance agreement.

Line 50. Number of Children: Title IV-E Non-Recurring Administrative Cost Expenses. Enter the average monthly number of children on whose behalf a non-recurring cost was reported on Line 34 [of this](#)

[Part and Lines 1b and 5b of Part 3 \(Guardianship Assistance\)](#). The children reported on this line on whose behalf title IV-E kinship guardianship assistance payments are being made will also be reported on line 48.

Line 51. Number of Children: Title IV-E Post-Demonstration Guardianship Assistance or Services.

0 TRIBES: Leave this line blank.

0 STATES: This line is applicable only to States that operate Guardianship Assistance Demonstration Projects.

Enter the average monthly number of children for whom the title IV-E Post-Demonstration Guardianship Assistance or Services reported on Line [37b37](#) were made for the current quarter and are estimated to be made for the next quarter.

Part 2: Prior Quarter Expenditure Adjustments

This part must be submitted as a supplemental supporting document whenever a "Prior Quarter Adjustment" (Columns B and C) is reported in Part 1 of this form. A net adjustment reported in Part 1 will be comprised of one or more increasing or decreasing components. Each individual adjustment is to be shown and reported separately by increasing and decreasing components, if applicable. (This requirement remains in effect in instances where the combination of increasing and decreasing adjustments produced a net result of zero dollars for the Federal share of prior quarter adjustments in Part 1.) If the space provided is insufficient for the number of components being reported, use as many additional sheets as necessary to properly report these items, annotating each sheet as appropriate (i.e., sheet 2 of 3)

General Instructions:

- Indicate whether this Part is for prior quarter claims under the Foster Care, Adoption Assistance or Guardianship Assistance programs. Include as many copies of Part 2 as needed; complete a separate copy for each program for which you are reporting adjustments.
- Enter the name of the State or Tribe.
- Enter the ending date of the current quarter from Part 1.
- Check the box to indicate whether this is a new report or a revision to a report previously submitted.

Definitions:

Section A: Increasing Adjustments. Each increasing component of the net adjustments included in Part 1. (**Note:** In accordance with Section 1132 of the Social Security Act and 45 CFR 95, Subpart A, claims for increasing adjustments are unallowable unless submitted within two years of the original expenditure date, or otherwise meet one of the "exception" criteria found in the statute and regulations.)

Section B: Decreasing Adjustments. Each decreasing component of the net adjustments included in Part 1. The decreasing adjustments should be entered as positive numbers on this form.

- **Column A: Total Adjustment.** The combined Federal/State total of each adjustment.
- **Column B: Federal Share of Adjustment:** Determine the Federal share of each adjustment by multiplying the amount in column (A) by the FFP or FMAP rate applicable to the nature of the expenditure and the prior quarter in which it was made.
- **Column C: Funding Category** Indicate the funding category of the component(s) on each line. These are described at the bottom of the form.

- **Column D: Applicable to Fiscal Quarter Ended.** Indicate the ending date (Month and Year) applicable to the adjustment being reported. Where a single adjustment encompasses several calendar quarters, the portion applicable to each quarter must be shown on a separate line.

~~**Column E: Audit Number (if applicable) / Other comments.** If the adjustment was the result of recommendations contained in an audit report, indicate the audit control number. If the adjustment was the result of a disallowance, identify it as such. In addition, use this space for any other comments relevant to the adjustment, including an explanation for any increasing adjustment submitted beyond the two year claiming deadline.~~

- **Column E: Adjustment Identification and Explanation (if applicable).**

Provide a sufficiently detailed explanation, attaching supporting documentation as applicable. In addition:

- For audit related adjustments: Include the finding number and, if it has been reviewed by the HHS Office of the Inspector General, the Federal audit CIN - Common Identification Number
- For title IV-E eligibility review adjustments: List the Period Under Review (PUR) and the date of any pertinent correspondence.
- Significant Adjustments: Any single increasing or decreasing adjustment that equals at least \$200,000 (Total amount) or any group of increasing or decreasing adjustments in a single funding category that equals at least \$1 million (Total amount), must include additional detailed information on the rationale, basis, and calculation of those adjustment(s).
- Two-Year Time Limit. Any increasing adjustment submitted beyond the 2-year deadline mandated under Sec 1132 of the Social Security Act (45 CFR Part 95 Subpart A) is unallowable unless the State is able to thoroughly detail the nature of the claim, including an explanation which of the four exceptions found at 45 CFR 95.19 justifies acceptance of the claim.

Total Increasing Adjustments (Section A) / Total Decreasing Adjustments (Section B): The last line in each section should be the total of the entries for that section, combining all copies of this form needed.

Net Adjustments. For both Columns A and B, subtract the Total Decreasing Adjustments in Section B from the Total Increasing Adjustments in Section A. The amounts entered in Columns A and B on this line must be equal to the amounts entered in Columns C and D on Line 18 (Foster Care), Line 28 (Adoption Assistance) or Line 38 (Guardianship Assistance) of Part 1 of this form.

Submittal and Revisions. Part 2 is an attachment to Part 1. A Part 2 should be submitted whenever an initial or revised Part 1 is being submitted. A revised Part 2 should include all prior quarter adjustments (including those that are unchanged from the initial submission) that are applicable to the current reporting quarter. A revision to this Part is subject to the same restrictions, procedures and requirements as stated for Part 1.

Part 3: Demonstration Projects

~~(THIS PART IS NOT APPLICABLE TO TRIBES.)~~

(This Part is only applicable to those States or Tribes that have an approved title IV-E Waiver Demonstration Project.)

**FOSTER CARE, ~~AND~~ ADOPTION ASSISTANCE and GUARDIANSHIP ASSISTANCE
DEMONSTRATION PROJECTS**

General Instructions:

States or Tribes administering title IV-E programs (hereafter “title IV-E agency”) with an approved title IV-E demonstration project must report quarterly expenditures and/or estimates under such project(s) on Part 3 of form CB-496. All Part 3 entries are to be made in accordance with these instructions and the title IV-E agency's approved demonstration project terms and conditions and waiver authority. This includes conformance with any project-related plans required for submission and approval in accordance with the project terms and conditions.

Completion of Part 3, section B will require the development and maintenance of schedules to accumulate needed cost data by the title IV-E agency. In this context, title IV-E agencies should consider the need to develop specific fiscal operational procedures for the demonstration project. These procedures, to the extent agreed to by ACF, will govern the calculation of reported amounts. Technical assistance in the assembling of claiming documentation and the completion of Part 3 is available from ACF Regional Offices.

Title IV-E agencies will need to begin submitting Part 3 of this report prior to implementation of the demonstration project since project developmental costs and estimates of future quarterly expenditures are sought. Part 3 must also be submitted during the time period when the demonstration project is operational and for all quarters as needed after completion of the demonstration project, since evaluation costs may continue to be incurred (as per the approved terms and conditions) and prior quarter adjustment claims may be required.

Demonstration project costs reported are classified as Foster Care, Adoption Assistance or Guardianship Assistance, depending on which program component of title IV-E the project is designated to cover. Should a title IV-E agency operate separate demonstration projects for more than one title IV-E program, costs for the multiple projects must be reported separately on individual Part 3 forms. However, if a single demonstration project includes the reporting of costs attributable to more than one of these title IV-E programs, all project costs are reported under the single program with the greatest proportion of expected project operational costs (generally Foster Care). The title IV-E agency should consult with the ACF Children’s Bureau if there is any doubt as to the identification of that program. Each Part 3 form should thus be checked (one box only) to indicate whether reported costs are for the **Foster Care, Adoption Assistance or Guardianship Assistance** component of title IV-E.

Demonstration projects are designated as either an **Experimental Design Project** or as a **Capped Allocation Project** for financial reporting purposes. These designations describe the basic approach or method utilized to measure the cost neutrality limit (CNL) and available funding for approved activities constituting project operation, including those otherwise eligible for title IV-E funding. Section 4 of the approved terms and conditions for each demonstration project will identify the method to be utilized for the project. It is critical that each Part 3 identify in the heading which method is applicable for the reported project and that within each Part 3 section only the subsection relevant to the selected method be completed. Thus, if a project is designated as an “Experimental Design Project”, each Part 3 section will be completed only on those Lines within subsection I., Experimental Design Projects. All other Lines are to be left blank or, where consisting of totals, are automatically computed.

There may be a few situations in which a title IV-E agency is transitioning from one category of CNL method to the other. This could necessitate reporting for one or more quarters on aspects of the project subject to both methods. In these instances, both methods should be checked in the heading and all subsections will need to be completed.

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When reporting information for a particular demonstration project, the State or Tribe should report on only those lines applicable for that project. The approved terms and conditions for a capped allocation project will prescribe which funding categories are included and excluded from consideration in establishing and measuring the utilization of the capped allocations. Similarly, the approved terms and conditions for an experimental design project will identify those funding categories considered for the control/comparison group in computing the average title IV-E cost per case, which is then used in calculating the cost neutrality limit.

It is critical that each Part 3 identify in the heading the applicable funding category(ies) for the reported project from among **Maintenance Assistance Payments, Administration, SACWIS Operational Costs and Training**. Only the lines relevant to the selected funding categories should be completed within each Part 3 section. For example, if Foster Care Maintenance Assistance Payments is the only funding category included in the project for cost neutrality purposes, only those Part 3 reporting lines designated for demonstration project operations that are titled with the words "maintenance assistance payments" or "FMAP rate" should be completed. Part 3 reporting lines that identify project operations in other funding categories or reimbursement rates are not relevant for that project. Project developmental and evaluation costs are reported regardless of the applicable funding categories.

Columns A through F should include actual expenditures only. Columns G and H should include the title IV-E agency's projection of anticipated costs (estimates) for the next quarter. A special Column H is used on specified reporting lines to identify the title IV-E agency share.

Prior quarter adjustments are reported in Columns C and D only for periods in which the applicable demonstration project was under development (for approved developmental costs only), operational or subject to evaluation in a post-operational quarter (per the approved terms and conditions). Any prior quarter adjustments for other periods must not be reported in Part 3. All prior quarter adjustments for demonstration costs must also be identified in form CB-496, Part 2. Adjustments for demonstration project costs must be identified using the appropriate funding category code for Foster Care, Adoption Assistance or for Guardianship Assistance in Part 2, Column I. For demonstration projects using an experimental design involving a control/comparison group, prior quarter adjustments reported in Part 1 may also impact the demonstration through adjustment to amounts used in the cost neutrality limit formula.

This Part should be completed quarterly by any State with an approved title IV-E waiver demonstration. All entries should be made in accordance with the State's approved waiver demonstration terms and conditions. Particular attention should be given to sections B and C, which will require development and maintenance of State schedules to accumulate needed cost data. In this context, States may wish to consider the need to develop specific demonstration fiscal operational procedures. These procedures, to the extent agreed to by ACF, will govern the calculation of reported amounts.

It will be necessary to begin using the Part 3 form prior to implementation of the demonstration since developmental costs and estimates of future quarterly expenditures are sought. It will be necessary to continue using Part 3 for a period after completion of the demonstration since evaluation costs may continue to be incurred (in accordance with the approved terms and conditions). Prior quarter adjustments may be reportable either for the demonstration cases or impact the demonstration through adjustment to amounts used in the cost neutrality formula. Technical assistance in the assembling of claiming documentation and the completion of Part 3 is available from ACF Regional Offices.

Amounts reported could be for either foster care or adoption assistance depending on which component of title IV-E has been waived. Should a State operate under waivers for both foster care and adoption assistance, costs for the two components must be reported separately on two forms. Each form should be checked to indicate whether foster care or adoption assistance components are reported.

Columns (A) through (E) should include actual expenditures only. Columns (F) and (G) should include the State's projection of anticipated costs for the next quarter.

Prior quarter adjustments (columns (C) and (D)) should be reported only for periods in which the applicable demonstration program was either operational or under development (for approved developmental costs only). Any amounts for periods prior to that date should be reported in Part 1. All prior quarter adjustments for demonstration costs must also be identified in Part 2. Adjustments for demonstration experimental group costs must be identified as funding activity "FDE" for foster care or "ADE" for adoption assistance in Part 2, column I. Adjustments for control or comparison group costs must be claimed on Parts 1 and 2 of this report and identified as such in the comments column, column (e), on Part 2. Each demonstration will have at least one control or comparison group established as part of the approved operational terms and conditions. This identification supports the appropriate calculation of the cost neutrality limit (CNL) for the overall demonstration program.

Report Heading Information

- **Project Approval Date.** Enter the approval date applicable to the project for which costs are being reported on this Part 3. This is the date on which the authorized ACF official signed the initial set of project terms and conditions. A separate Part 3 must be completed for costs reported under each project if a title IV-E agency has received approval to operate more than one demonstration project.
- **Applicable Program.** Check the appropriate box to indicate for which title IV-E program (Foster Care, Adoption Assistance or Guardianship Assistance) this Part 3 is being completed.
- **Applicable Cost Neutrality Limit Method:** Check the appropriate box(es) to indicate which cost neutrality limit (CNL) method (Experimental Design or Capped Allocation) is applicable to the project. It is possible that some title IV-E agencies may have approval for more than one project using different CNL methods. If the projects are all funded through a single title IV-E program, both boxes are checked and all project reporting is then included on one Part 3 submission.
- **Applicable Funding Category:** Check the appropriate box(es) to indicate the applicable funding category(ies) for the project(s) being reported. Report form entries must only be made on those lines associated with the selected applicable funding categories.
- Enter the name of the State or Tribe.
- Enter the ending date of the current quarter from Part 1.
- Enter the ending date of the next quarter from Part 1.
- Check the box to indicate whether this is a new report or a revision to a report previously submitted.

Section A - Title IV-E Allowable and Waiver-Based Demonstration Project Costs Quarterly Demonstration Costs

Overview

This section is for reporting all demonstration project costs on behalf of designated project participants and others served. This includes:

- 1) title IV-E allowable and allocable costs for project operations that meet title IV-E funding requirements outside any waivers granted;
- 2) project interventions and other costs approved through the waiver authority that are part of the operation of an implemented project, and;
- 3) project developmental or evaluation costs.

The reported project operational costs may include maintenance assistance payments, administration, SACWIS operations and/or training on behalf of title IV-E eligible children and other designated children and families served, depending on the terms and conditions for the project.

The amounts reported on the lines with “Title IV-E” in the heading are those costs that would have been reported in Part 1 if the involved children had not been part of a demonstration project. These children must also be counted as title IV-E eligible in Part 1, Section D – Children Assisted. All costs on behalf of other children and any additional types of costs for title IV-E eligible children (i.e. costs that are not title IV-E allowable absent waiver authority) deemed as allowable in accordance with waivers provided through the project are to be reported on the “Project Intervention and Other Waiver Based Expenditures” lines. Approved project development and evaluation costs are reported on separate lines since these activities are treated as demonstration project “administrative costs” rather than “operational costs”. These costs are also reimbursable outside of any cost neutrality limit identified (see Section B below).

I. Experimental Design Projects (Complete ONLY Lines 1a to 4 to report financial data for a project designated with an “Experimental/Control Group” CNL).

Line 1a. Title IV-E Maintenance Assistance Payments Operations (FMAP Rate) – This line includes title IV-E allowable (without waiver authority) maintenance assistance payments on behalf of children participating as part of the ever-assigned experimental group in the approved and operational title IV-E demonstration project where maintenance assistance payments are considered as part of the CNL.

For a Foster Care project, these costs may only cover the items classified as title IV-E maintenance payments in Section 475(4)(A) of the Act for children determined to be title IV-E eligible and form CB-496, Part 1 instructions for Lines 1 and 2.

For an Adoption Assistance demonstration project, these costs are subject to the limitation specified in Section 473(a)(3) of the Act for children determined to be title IV-E eligible and form CB-496, Part 1 instructions for Lines 21 and 22.

For a Guardianship Assistance demonstration project, these costs are subject to the limitation specified in Section 473(d)(2) of the Act for children determined to be title IV-E eligible and form CB-496, Part 1 instructions for Lines 31 and 32. Additional project costs for these or other children are reported elsewhere in this Part.

Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care, Lines 21-26 for Adoption Assistance or Lines 31-37 for Guardianship Assistance. These costs are to be used in the cost neutrality calculation. Amounts on this line should not include costs on behalf of children participating in the demonstration project as part of a control or comparison group. Such amounts are demonstration-related expenditures, but are reported in Part 1 and are utilized in Section B of this report for cost neutrality purposes. The Federal share of any child support collections made on behalf of the children whose maintenance payments are reported on this line must be reported in Part 1, Line 3.

- Direct Entry in Columns A,C, D and G

Line 1b. Title IV-E Administration (All Applicable Categories) Operations (50 Percent FFP Rate) - These are title IV-E allowable (without waiver authority) administrative costs on behalf of children participating as part of the ever-assigned experimental group in the approved and operational title IV-E demonstration project where administration is considered as part of the CNL.

For a Foster Care project, these costs may only cover the items classified as title IV-E in-placement or candidate administration in accordance with Federal regulations at 45 CFR 1356.60(c) and form CB-496, Part 1 instructions for Lines 5 – 10.

For an Adoption Assistance or a Guardianship Assistance demonstration project, these costs may only cover the items classified as title IV-E administrative costs – agency or administrative costs – non-recurring in accordance with Federal regulations at 45 CFR 1356.60(c) and form CB-496, Part 1 instructions for Lines 23 – 24 (Adoption Assistance) or Lines 33 – 34 (Guardianship Assistance). Additional project costs for these or other children are reported elsewhere in this Part.

Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care, Lines 21-26 for Adoption Assistance or Lines 31-37 for Guardianship Assistance. These costs are to be used in the cost neutrality calculation. Claims on this line should not include costs on behalf of children participating in the demonstration project as part of a control or comparison group. Such amounts are demonstration project-related expenditures, but they are reported in Part 1 and are utilized in Section B of this report for cost neutrality purposes. This line should remain blank if costs in the administration funding category are not subject to a CNL under the reported project.

- Direct Entry in Columns A,C, D and G

Line 2a. Project Intervention and Other Waiver-Based Expenditures (FMAP Rate) - The amount reported can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the FMAP rate expenditures cumulative holding account (Line 16a). If holding account amounts (accumulated on previous Part 3 reports) are included on Line 2a, an appropriate deduction to Line 16a should appear on this and future quarterly demonstration project reports using the form CB-496, Part 3. The title IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 2a provides for reporting of costs at the FMAP rate for all other approved project operations fundable up to the available amount, excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. If the project is also assessed for cost neutrality purposes based on administrative costs, another option to report these costs is available on Line 2b.

The title IV-E agency should first determine the availability of funding on Line 2a through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below; however, when completing line 12a, enter only cumulatively-funded amounts plus currently reported amounts on line 1a. The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the FMAP rate on Line 23a. The title IV-E agency can then report any claims as appropriate on Line 2a and include those amounts on Line 12a per the instructions below. Any claims filed on Line 2a which exceed the calculated cost neutrality limit will automatically be identified as part of the FMAP rate holding account (Line 16a) on this quarter’s report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. The appropriate level of title IV-E agency match (using the applicable FMAP rate) should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

- Direct Entry in Columns A,C, D and G

Line 2b. Project Intervention and Other Waiver-Based Expenditures (50 Percent FFP Rate) - Report on this line only where administrative costs are considered for cost neutrality limit determination purposes. The amount reported can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3)

amounts applied from the 50 percent FFP expenditures cumulative holding account (Line 16b). If holding account amounts (accumulated on previous Part 3 reports) are included on Line 2a, an appropriate deduction to Line 16b should appear on this and future quarterly demonstration project reports using the form CB-496, Part 3. The title IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 2b provides for reporting at the 50 percent FFP rate of costs for all other approved project operations (fundable up to the available amount), excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. It should be noted that another option may be available to report these costs at the FMAP rate on Line 2a.

The title IV-E agency should first determine the availability of funding on Line 2b through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below; however, when completing Line 12b, enter only cumulatively-funded amounts plus currently reported amounts on Line 1b. The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the 50 percent FFP rate on Line 23b. It can then report any claims as appropriate on Line 2b and include those amounts on Line 12b (per below instructions). Any claims filed on Line 2b which exceed the calculated cost neutrality limit will automatically be identified as part of the 50 percent FFP rate holding account (Line 16b) on this quarter’s report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. The appropriate level of title IV-E agency match (at the 50 percent FFP rate) should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

- Direct Entry in Columns A,C, and G

Lines 3 and 7. Project Developmental Costs (50 Percent FFP Rate) - These are the costs associated with the development of the demonstration proposal. This includes costs for the performance of project activities undertaken before implementation of the demonstration project in accordance with the approved waiver terms and conditions and the title IV-E agency’s approved developmental cost plan. These demonstration costs are treated as project administration at the 50 percent rate of FFP and are not subject to the cost-neutrality calculation. Developmental costs must cease with the quarter before the project is implemented (operational) anywhere in the State or the Tribe’s service area.

- Direct Entry in Columns A,C, and G

Lines 4 and 8. Project Evaluation Costs (50 Percent FFP Rate) - These are the costs associated with the performance of a project evaluation in accordance with the approved waiver terms and conditions and the IV-E agency’s approved evaluation plan. These demonstration costs are treated as project administration at the 50 percent rate of FFP and are not subject to the cost-neutrality calculation. Evaluation costs may begin with the quarter when the project is implemented (operational) anywhere in the IV-E agency and might extend for a period beyond the completion of the demonstration project. In this case, Part 3 must be completed to identify such costs even though there may be no other demonstration expenditures or need for a cost-neutrality calculation. Pre-implementation approved evaluation planning and preparation costs are reported as part of developmental costs.

- Direct Entry in Columns A,C, and G

II. Capped Allocation Projects (Complete ONLY Lines 5a to 8 to report financial data for a project designated with an “Capped Allocation” CNL).

Line 5a. Title IV-E Maintenance Assistance Payments Operations (FMAP Rate) –These are title IV-E allowable (without waiver authority) maintenance assistance payments on behalf of children participating in the approved and operational title IV-E demonstration project where maintenance assistance payments are considered as part of the CNL.

For a Foster Care project, these costs may only cover the items classified as title IV-E maintenance payments in Section 475(4)(A) of the Act for children determined as title IV-E eligible and form CB-496, Part 1 instructions for Lines 1 and 2.

For an Adoption Assistance demonstration project, these costs are subject to the limitation specified in Section 473(a)(3) of the Act for children determined as title IV-E eligible and form CB-496, Part 1 instructions for Lines 21 and 22.

For a Guardianship Assistance demonstration project, these costs are subject to the limitation specified in Section 473(d)(2) of the Act for children determined as title IV-E eligible and form CB-496, Part 1 instructions for Lines 31 and 32. Additional project costs for these or other children are reported elsewhere in this Part.

Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care, Lines 21-26 for Adoption Assistance or Lines 31-37 for Guardianship Assistance. These expenditures are to be used in the cost neutrality calculation. Furthermore, the Federal share of any child support collections made on behalf of the children whose maintenance payments are reported on this line must be reported in Part 1, line 3.

- Direct Entry in Columns A,C, D and G
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Line 5b. Title IV-E In-Placement Administration (Excluding Candidate) Operations (50 Percent FFP Rate) – These are title IV-E allowable (without waiver authority) amounts spent on behalf of placed children participating in the approved and operational title IV-E demonstration project where in-placement administration is considered as part of the CNL. These costs may only cover the items classified as title IV-E in-placement administration in accordance with Federal regulations at 45 CFR 1356.60(c) and form CB-496, Part 1 instructions for Lines 5–9 (Foster Care), Lines 23 and 24 (Adoption Assistance) or Lines 33 and 34 (Guardianship Assistance). Additional project costs for these or other children are reported elsewhere in this Part. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care, Lines 21-26 for Adoption Assistance or Lines 31-37 for Guardianship Assistance. These expenditures are to be used in the cost neutrality calculation. This line should remain blank if costs in the in-placement administration funding category are not subject to a CNL under the reported project.

- Direct Entry in Columns A,C, and G

Line 5c. Title IV-E Candidate Administration Operations (50 Percent FFP Rate) – These are title IV-E allowable (without waiver authority) amounts spent on behalf of children determined as title IV-E candidates participating in the approved and operational title IV-E demonstration project where candidate administration is considered as part of the CNL. These costs may only cover the items classified as title IV-E candidate pre-placement administration in accordance with Federal regulations at 45 CFR 1356.60(c) and the instructions on Line 10 of Part 1 of this form. Additional project costs for these or other children are reported elsewhere in this Part. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care.

These expenditures are to be used in the cost neutrality calculation. This line should remain blank if costs in the candidate administration funding category are not subject to a CNL under the reported project.

- Direct Entry in Columns A,C, and G

Line 5d. Title IV-E SACWIS Operational Costs Operations (50 Percent FFP Rate) These are title IV-E allowable (without waiver authority) SACWIS operations amounts spent on behalf of children participating in the approved and operational title IV-E demonstration project where SACWIS operational costs are considered as part of the CNL. These costs may only cover the items classified as title IV-E SACWIS operations in accordance with Federal regulations at 45 CFR 1355.57 and form CB-496, Part 1 instructions for Line 11. Additional project costs for these or other children are reported elsewhere in this Part. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care. These expenditures are to be used in the cost neutrality calculation. This line should remain blank if costs in the SACWIS operational funding category are not subject to a CNL under the reported project.

- Direct Entry in Columns A,C, and G

Line 5e. Title IV-E Staff/Provider and Professional Partner Training Operations (75 Percent FFP Rate) – These are title IV-E allowable (without waiver authority) training amounts spent on behalf of children participating in the approved and operational title IV-E demonstration project where training is considered as part of the CNL. These costs may only cover the items classified as title IV-E training in accordance with Federal regulations at 45 CFR 1356.60(b) and form CB-496, Part 1 instructions for Lines 15 and 16 (Foster Care), Lines 25 and 26 (Adoption Assistance) or Lines 35 and 36 (Guardianship Assistance). Additional project costs for these or other children are reported elsewhere in this Part. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care or Lines 21-26 for Adoption Assistance. These expenditures are to be used in the cost neutrality calculation. This line should remain blank if costs in the training funding category are not subject to a CNL under the reported project.

- Direct Entry in Columns A,C, and G

Line 6a. Project Intervention and Other Waiver-Based Expenditures (FMAP Rate) - The amount reported can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the FMAP rate expenditures holding account (Line 22a). If holding account amounts accumulated on previous Part 3 reports are included on this line, an appropriate deduction to Line 22a should appear on this and future quarterly demonstration project reports using the form CB-496, Part 3. The title IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 6a provides for reporting of costs eligible for funding **at the FMAP rate** for all other approved project operations fundable up to the available amount, excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. If the project is also assessed for cost neutrality purposes based on title IV-E administrative/SACWIS and/or training costs, other options to report these costs are available on Lines 6b or 6c.

The title IV-E agency should first determine the availability of funding on Line 6a through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below. However, when completing Line 18a, the title IV-E agency should enter only cumulatively funded amounts plus currently reported amounts on Line 5a. The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the FMAP rate on Line 24a. It can then report any claims as appropriate on Line 6a and include those amounts on Line 18a (per below instructions).

Any claims filed on Line 6a which exceed the calculated cost neutrality limit will automatically be identified as part of the FMAP rate holding account (Line 22a) on this quarter's report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. Using the applicable FMAP rate, the appropriate level of title IV-E agency match should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

- Direct Entry in Columns A,C, D and G

Line 6b. Project Intervention and Other Waiver-Based Expenditures (50 Percent FFP Rate) - The amount reported can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the 50 percent FFP rate expenditures holding account (Line 22b). If holding account amounts accumulated on previous Part 3 reports are included on this line, an appropriate deduction to Line 22b should appear on this and future quarterly demonstration project (form CB-496, Part 3) reports. The title IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 6b provides for reporting of costs eligible for funding at the 50 percent FFP rate for all other approved project operations (fundable up to the available amount) excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. If the project is also assessed for cost neutrality purposes based on title IV-E maintenance payments and/or training costs, other options to report these costs are available on Lines 6a or 6c.

The title IV-E agency should first determine the availability of funding on Line 6b through "test" completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below. However, when completing line 18b, enter only cumulatively funded amounts plus currently reported amounts on Line 5b, 5c, and 5d (if SACWIS is included for cost neutrality). The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the 50 percent FFP rate on Line 24b. It can then report any claims as appropriate on Line 6b and include those amounts on line 18b (per below instructions). Any claims filed on line 6b which exceed the calculated cost neutrality limit will automatically be identified as part of the 50 percent FFP rate holding account (Line 22b) on this quarter's report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. Using the 50 percent FFP rate, the appropriate level of IV-E agency should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

- Direct Entry in Columns A,C, and G

Line 6c. – Project Intervention and Other Waiver Based Expenditures (75 Percent FFP Rate) - The amount reported can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the 75 percent FFP rate expenditures holding account (Line 22c). If holding account amounts accumulated on previous Part 3 reports are included on this line, an appropriate deduction to Line 22c should appear on this and future quarterly demonstration project reports using the form CB-496, Part 3. The IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 6c provides for reporting of costs eligible for funding at the 75 percent FFP rate for all other approved project operations fundable up to the available amount, excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. If the project is also assessed for cost neutrality purposes based on title IV-E maintenance payments and/or administrative/SACWIS costs, other options to report these costs are available on Lines 6a or 6b.

The title IV-E agency should first determine the availability of funding on Line 6c through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below. However, when completing Line 18c, enter only cumulatively funded amounts plus currently reported amounts on line 5e. The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the 75 percent FFP rate on Line 24c. It can then report any claims as appropriate on Line 6c and include those amounts on Line 18c, per the instructions below. Any claims filed on Line 6c which exceed the calculated cost neutrality limit will automatically be identified as part of the 75 percent FFP rate holding account (line 22c) on this quarter’s report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. Using the 75 percent FFP rate, the appropriate level of title IV-E agency match should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

- Direct Entry in Columns A,C, and G

[Line 7 and 8 instructions are included with the Line 3 and 4 instructions, respectively]

III. All Program Projects

Line 9. Total Demonstration Project Operational Costs - These include the total title IV-E allowable costs (excluding any additional costs that will be incurred based on waivers granted) and specified administration associated with the demonstration project. This amount shall not be used in calculating the amount reported on Part 1, Line 17 for Foster Care, Line 27 for Adoption Assistance or Line 37a for Guardianship Assistance. The amounts on Line 25c of this Part should instead be used in calculating the reported amount in Part 1 (see instructions below). This step is necessary to consider other demonstration project costs and to limit the total computable or Federal share amount in accordance with the applicable cost-neutrality provisions.

- Calculated as: The sum of Lines 1a-2b and 5a-6c

Line 10. Total Demonstration Project Developmental/Evaluation Costs - Total project administration costs cover specified activities that are required as a condition of implementing the project but do not represent payments or services on behalf of project participants.

- Calculated as : The sum of Lines 3, 4, 7 and 8.

Line 1. Experimental Group Operational Expenditures—Amounts spent on behalf of children participating in the experimental group in any approved and operational title IV-E waiver demonstration project in the State. These costs may

~~cover the items classified as title IV-E maintenance assistance in Section 475(4)(A) of the Social Security Act, administration or training in accordance with Federal regulations at 45 CFR 1356.60 and any additional items or revised eligibility criteria contained in the approved terms and conditions for the waiver demonstration.~~

~~Some demonstrations require only the identification of maintenance assistance or administrative costs associated with demonstration cases. In accordance with the approved waiver demonstration terms and conditions, maintenance assistance, administration and State & local training costs, where applicable, should be summed and included on this line. Any amount reported on this line should not be reported in Part 1, lines 1-16 for foster care or lines 21-26 for adoption assistance. These expenditures are to be used in the cost neutrality calculation.~~

~~Claims on this line should not include costs on behalf of children participating in the demonstration as part of a control or comparison group. Such amounts are demonstration expenditures, but are reported on line 2 and are utilized in Section B of this report for cost neutrality purposes.~~

~~**Line 2. Control/Comparison Group Operational Expenditures**—Amount of expenditure/estimate attributable to children assigned to the demonstration control/comparison group in accordance with the approved terms and conditions. This line includes all appropriate maintenance, administration and/or training costs in accordance with the approved terms & conditions. Any amount reported on this line should also be appropriately reported in Part 1, lines 1-16 for foster care or lines 21-26 for adoption assistance. The dual reporting is necessary since the underlying costs are connected to the demonstration, but remain subject to reimbursement in accordance with existing title IV-E law and policy (without application of any waivers). These expenditures are to be used in the cost neutrality calculation.~~

~~**Line 3. Developmental and Evaluation Costs**—Amount of expenditure/estimate associated with the development of the demonstration proposal and the performance of a project evaluation. This includes administrative and training amounts for activities undertaken before implementation of the demonstration project and for development and ongoing conduct of the evaluation, in accordance with the approved waiver terms and conditions and the State's approved developmental cost and evaluation plans. These demonstration costs and estimates are not subject to the cost neutrality calculation.~~

~~It should be noted that evaluation costs might extend for a period beyond the completion of the demonstration project. In this case, Part 3 must be completed to identify such costs even though there may be no other demonstration expenditures or need for a cost neutrality calculation.~~

~~**Line 4. Total Costs Claimed/Estimated**—Total costs associated with the demonstration program. The amount reported is equal to the sum of lines 1 through 3. This amount shall not be used in calculating the amount reported on Part 1, line 17 for foster care or line 27 for adoption assistance. The amounts on line 17 of this Part should instead be used in calculating the reported amount (see instructions below) in Part 1. This step is necessary to limit the total Federal share in accordance with the cost neutrality provision.~~

~~**Line 5. State Share**—Amount of non-Federal funds applicable to line 4 that the State is certifying as available as matching funds to operate the demonstration. (Calculated as: Line 4 (Col F) Minus Line 4 (Col G).)~~

Section B - Cost-Neutrality Calculations

Overview

This section provides an accounting summary of the cumulative (life of the project) cost neutrality limit (CNL). This section also shows whether all of the current quarter and prior quarter adjustment project operational costs from Section A are fundable. If these reported expenditures exceed the CNL as of the reporting quarter, this section provides for the recording of a title IV-E claim to be maintained in a "holding account" until a quarter in which funds become available in accordance with the CNL calculations.

I. Experimental Design Projects (Complete ONLY Lines 11a to 16b to report financial data for a project designated with an "Experimental/Control Group" CNL.)

Line 11a. Maintenance Payments (FMAP Rate) - Cumulative Experimental Group Title IV-E Cost Neutrality Limit (CNL) - *[Report on this line for Experimental Design projects.]* The Federal Share amounts to be entered in Columns F and H result from maintenance payment calculations in accordance with the approved terms and conditions on cost-neutrality contained in each title IV-E agency's waiver. This represents the maximum amount of Federal funding at the FMAP rate available through this reporting period for reimbursement of allowable experimental group demonstration project operational expenditures (Column F) and future estimates (Column H).

The cumulative CNL calculation must be performed using data on demonstration experimental and control/comparison groups' quarterly costs through the current quarter (expenditure purposes) and the next quarter (estimating purposes) in accordance with the approved project terms and conditions through a separate spreadsheet. The resulting totals are entered on this line.

Control/comparison group costs are no longer reported in Part 3 but must still be tracked by the title IV-E agency to perform the CNL calculation. The title IV-E agency will also require information on the number of "cases" in both the experimental and the control/comparison groups. A separate spreadsheet identifying the title IV-E agency's CNL calculations should be maintained at the title IV-E agency as supporting documentation.

- The Column H amount should equal the Column F amount plus the title IV-E agency's estimate of the additional CNL amounts projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.

Line 11b. Administrative Costs (50 Percent FFP Rate) - Cumulative Experimental Group Title IV-E Cost Neutrality Limit (CNL) - *[Report on this line for Experimental Design projects where administrative costs are considered in the CNL.]* The Federal share amounts to be entered in Columns F and H result from administration calculations in accordance with the approved terms and conditions on cost-neutrality contained in each IV-E agency's waiver. This represents the maximum amount of Federal funding at the 50 percent FFP rate available through this reporting period for reimbursement of allowable experimental group demonstration project operational expenditures (Column F) and future estimates (Column H).

The cumulative CNL calculation must be performed using data on demonstration experimental and control/comparison groups' quarterly costs through the current quarter (expenditure purposes) and the next quarter (estimating purposes) in accordance with the approved project terms and conditions through a separate spreadsheet. The resulting totals are entered on this line.

Control/comparison group costs are no longer reported in Part 3 but must still be tracked by the title IV-E agency to perform the CNL calculation. The title IV-E agency will also require information on the number of "cases" in both the experimental and the control/comparison groups. A separate spreadsheet identifying the title IV-E agency's CNL calculations should be maintained at the IV-E agency as supporting documentation.

- The Column H amount should equal the Column F amount plus the title IV-E agency's estimate of the additional CNL amounts projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.

Line 12a. Currently Reported and Cumulatively Funded Experimental Group and Other Operational Costs (FMAP Rate) - The amount reported represents all operational costs reported over the life of the project as title IV-E maintenance payments or other costs subject to the FMAP rate, minus any previously reported amounts that were determined as not fundable.

- The Column F entry is the total of Lines 1a and 2a on the current report and the total of Line 12a minus Line 15a from the previous quarter's demonstration project form CB-496, Part 3 report (appropriate column entries). The title IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the title IV-E agency should not reduce the Line 12a total if it decides to retain the funds pending a decision. In addition, should the title IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.
- The Column H entry is calculated as:
The sum of: Column F, Line 1a plus Line 2a, PLUS Column H, Line 1a plus Line 2a,

PLUS from last quarter's report, Column H, Line 1a plus Line 2a

MINUS from last quarter's report, Line 15a, entries to account for the one additional quarter funded

through grant award authority, but not yet subject to expenditure reporting.

Line 12b. Currently Reported and Cumulatively Funded Experimental Group and Other Operational Costs (50 percent FFP Rate) - The amount reported represents all operational costs reported over the life of the project as title IV-E administrative or other costs subject to the 50 percent FFP rate minus any previously reported amounts that were not fundable.

- The Column F entry is the total of Lines 1b and 2b on the current report and the total of line 12b minus line 15b from the previous quarter's Demonstration Projects form CB-496, Part 3 report (appropriate column entries). The IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the IV-E agency should not reduce the line 12b total if it decides to retain the funds pending a decision. In addition, should the IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.
- The Column H entry is calculated as:
The sum of: Column F, Line 1b plus Line 2b, PLUS Column H, Line 1b plus Line 2b,

PLUS from last quarter's report, Column H, Line 1b plus Line 2b

MINUS from last quarter's report, Line 15b entries to account for the one additional quarter funded

through grant award authority, but not yet subject to expenditure reporting.

Line 13a.– Cumulative Experimental Group and Other Operational Costs in Excess of CNL (FMAP Rate) – The amount reported represents any currently reported or previously funded project operational costs at the FMAP rate that exceed the cumulative CNL calculated on this report. The result of these steps, including negative amounts, is entered in Columns F and H of this line and constitutes the cumulative amount in excess of CNL for the FMAP rate funding category. If this total exceeds the total reported on Lines 1a plus 2a, a portion of previously funded costs are now also in excess of the calculated CNL. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

- Calculated as: Line 12a minus Line 11a (Report as zero if the amount on Line 11a is greater than the amount on Line 12a)

Line 13b. Cumulative Experimental Group and Other Operational Costs in Excess of CNL (50 percent FFP Rate) – The amount reported represents any currently reported or previously funded project operational costs at the 50 percent FFP rate that exceed the cumulative CNL calculated on this report. The result of these steps (including negative amounts) is entered in Columns F and H of this line and constitutes the cumulative amount in excess of CNL for the 50 percent FFP rate funding category. If this total exceeds the total reported on Lines 1b plus 2b, a portion of previously funded costs are now also in excess of the calculated CNL. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

- Calculated as: Line 12b minus Line 11b (Report as zero if the amount on Line 11b is greater than the amount on Line 12b)

Line 14a. Fundable Portion of Total Quarterly Project Operational Costs (FMAP Rate) This is the maximum amount of the reported title IV-E costs subject to Federal funding as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on Lines 1a plus 2a, the remaining Line 14a columns are automatically completed by copying data from Lines 1a plus 2a. However, if there is a difference between these totals, the resulting Line 14a total Federal share expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 1a and 2a, Columns B and D. The amounts entered in the total computable columns (Columns A, C F and G) are also automatically calculated by dividing the Federal share amount (Columns B, D and H) by the calculated FFP rate. The calculated FFP rate

is equal to the Line 1a plus 2a Federal share amount in the same column, divided by the associated total computable column (e.g., Column B/Column A).

- Columns F and H, Calculated as Line 1a + Line 2a minus Line 13a

Line 14b. Fundable Portion of Total Quarterly Project Operational Costs (50 percent FFP Rate). This is the maximum amount of the reported title IV-E costs subject to Federal funding as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on Lines 1b plus 2b, the remaining line 14b columns are automatically completed by copying data from Lines 1b plus 2b. If, however, there is a difference between these totals, the resulting line 14b total Federal share expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 1b and 2b, Columns B and D. The amounts entered in the total computable columns (Columns A, C F and G) are also automatically calculated by dividing the Federal share amount (Columns B, D and H) by the calculated rate of Federal financial participation (FFP). The calculated FFP rate is equal to the line 1b plus 2b Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

- Columns F and H, Calculated as Line 1b + Line 2b minus Line 13b

Line 15a. Non-Fundable Portion of Total Quarterly Project Operational Costs (FMAP Rate) - This line represents the amount of any reported FMAP rate operational cost claims that exceed the CNL calculation and are thus not currently fundable. This is the portion (if any) of the reported project operational costs subject to Federal funding at the FMAP rate that exceed the calculated CNL and are thus non-fundable.

If the calculated Column F and H amounts are equal to zero, the remaining line 15a columns are completed by entering zeroes. If, however, Column F has a calculated entry greater than zero, the resulting line 15a total Federal share expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 1a and 2a, Columns B and D.

The amounts entered in the total computable columns (Columns A, C E and G) are calculated by dividing the Federal share amount (Columns B, D and H) by the calculated rate of Federal financial participation (FFP). The calculated FFP rate is equal to the line 1a plus 2a Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

- Columns F and H, Calculated as Line 1a + Line 2a minus Line 14a

Line 15b. Non-Fundable Portion of Total Quarterly Project Operational Costs (50 percent FFP Rate) - This line represents the amount of any reported 50 percent FFP rate operational cost claims that exceeds the CNL calculation and is thus not currently fundable. This is the portion (if any) of the reported project operational costs subject to Federal funding at the 50 percent FFP rate that exceed the calculated CNL and are thus non-fundable.

If the calculated Columns F and H amounts are equal to zero, the remaining Line 15b columns are automatically completed by entering zeroes. If, however, Column F has a calculated entry greater than zero, the resulting Line 15b total Federal share expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 1b and 2b, Columns B and D. The amounts entered in the total computable columns (Columns A, C E and G) are also automatically calculated by dividing the Federal share amount (Columns B, D and H) by the

calculated FFP rate. The calculated FFP rate is equal to the Line 1b plus 2b Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

- Columns F and H, Calculated as Line 1b + Line 2b minus Line 14b

Line 16a. Cumulative Holding Account (Unfunded Operational Costs In Excess of CNL) (FMAP Rate) -
[Report on this line for Experimental Design projects. The entry (Column F only) is derived both from data reported elsewhere on this submission and any entry on Line 16a from the previous quarter's report with consideration of any subsequent adjustments to that amount.]

A cumulative holding account balance for the FMAP rate CNL calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 13a total on this report, it can differ based on prior project operations.

An entry is reportable only in Column F. The amount reported is the cumulative total current balance of the holding account for this funding rate. That number is equal to the Line 15a of the current report, plus Line 16a from the previous quarter's demonstration project form CB-496, Part 3 report, minus any adjustments.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 2a (expenditure of available savings reported in this quarter). When demonstration project savings are generated, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration project operations, if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration project expenditures. However, Federal regulations at 45 CFR 95.7 impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement.

- Column F: Calculated as Line 15a of this report + Line 16a of prior quarter report minus adjustments

Line 16b. Cumulative Holding Account (Unfunded Operational Costs In Excess of CNL) (50 percent FFP Rate) -
A cumulative holding account balance for the 50 percent FFP rate CNL calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 13b total, it can differ based on prior project operations. An entry is reportable only in Column F. The amount reported is the cumulative total current balance of the holding account for this funding rate.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 2b (expenditure of available savings reported in this quarter). When demonstration project savings are generated, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration project operations if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration project expenditures. However, Federal regulations at 45 CFR 95.7 impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement.

- Column F: Calculated as Line 15b of this report + Line 16b of prior quarter report minus adjustments

II. Capped Allocation Projects (Complete ONLY Lines 17a to 22c to report financial data for a project designated with an "Capped Allocation" CNL.)

Line 17a. Maintenance Payments (FMAP Rate) - Cumulative Title IV-E Capped Allocation (CA) - The amount to be entered in Columns E and G (Total Computable) should result from maintenance payment calculations in accordance with the approved terms and conditions on cost-neutrality for each title IV-E agency's project. This represents the maximum amount of cost at the applicable FMAP rate available through the appropriate reporting quarter for reimbursement of allowable demonstration project operational expenditures (Column E) and future estimates (Column G).

The cumulative capped allocation must be the amount calculated through the applicable reporting quarter as per the capped allocation payments table in the approved project terms and conditions or an approved fixed schedule of payments through a separate spreadsheet. The resulting totals are entered on this line.

- The Column G amount should equal the Column E amount plus the title IV-E agency's determination of the additional capped allocation amount projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.

Line 17b. Administration and SACWIS Costs (50 percent FFP Rate) - Cumulative Title IV-E Capped Allocation (CA) - *[Report on this line for Capped Allocation projects where 50 percent FFP rate funding categories are considered in the CNL.]* The amount to be entered in Columns E and G (Total Computable) should result from the sum of any administrative costs or SACWIS operational costs subject to inclusion in the capped allocation in accordance with the approved terms and conditions on cost-neutrality for each title IV-E agency's project. This represents the maximum amount of cost at the 50 percent FFP rate available through this reporting period for reimbursement of allowable demonstration project operational expenditures (Column E) and future estimates (Column G). It should be noted that not all projects will include administrative or SACWIS operational costs within the capped allocation. In these instances, such costs must not be reported on this line.

The cumulative capped allocation must be the amount calculated through the applicable reporting quarter as per the approved project terms and conditions or an approved payment schedule through a separate spreadsheet. The resulting totals are entered on this line.

- The Column G amount should equal the Column E amount plus the title IV-E agency's determination of the additional capped allocation amount projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.

Line 17c. Training Costs (75 percent FFP Rate) - Cumulative Title IV-E Capped Allocation (CA) - The amount to be entered in Columns E and G (Total Computable) should result from the sum of any staff and

provider training or professional partner training costs subject to inclusion in the capped allocation in accordance with the approved terms and conditions on cost-neutrality for each IV-E agency's project. This represents the maximum amount of cost at the 75 percent FFP rate available through this reporting period for reimbursement of allowable demonstration project operational expenditures (Column E) and future estimates (Column G). It should be noted that not all projects will include training costs within the capped allocation. In these instances, such costs must not be reported on this line.

The cumulative capped allocation must be the amount calculated through the applicable reporting quarter as per the approved project terms and conditions an approved payment schedule through a separate spreadsheet. The resulting totals are entered on this line.

- The Column G amount should equal the Column E amount plus the title IV-E agency's determination of the additional capped allocation amount projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.

Line 18a. Currently Reported and Cumulatively Funded Demonstration Operational Costs (FMAP Rate) - The amount reported represents all operational costs reported over the life of the project as title IV-E maintenance payments or other costs subject to the FMAP rate, minus any previously reported amounts that were determined as not fundable.

- The Column E amount consists of the total of Lines 5a and 6a above and the total of Line 18a minus Line 21a from the previous quarter's demonstration Project form CB-496, Part 3. The title IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the title IV-E agency should not reduce the Line 18a total if it decides to retain the funds pending a decision. In addition, should the title IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.
- The Column G entry is the sum of: Step 1) Calculation: Column E amount plus the Column G entries on Lines 5a and 6a. Step 2) Manual Addition: Add the total of Column H, Lines 5a and 6a minus Line 21a entries from the previous quarter's form CB-496, Part 3 report to account for the one additional quarter funded through grant award authority, but not yet subject to expenditure reporting.

Line 18b. Currently Reported and Cumulatively Funded Demonstration Operational Costs (50 percent FFP Rate) - The amount reported represents all operational costs reported over the life of the project as title IV-E administration, SACWIS costs or other costs subject to the 50 percent FFP rate minus any previously reported amounts that were not fundable.

- The Column E amount consists of the total of Lines 5b, 5c, 5d, 6b, 6c and 6d above and the total of Line 18b minus Line 21b from the previous quarter's demonstration project form CB-496, Part 3 report (appropriate column entries). The title IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the title IV-E agency should not reduce the line 18b total if it decides to retain the funds pending a decision. In addition, should the title IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.
- The Column G entry is the sum of: Step 1) Calculation: Column E amount plus the sum of Column G entries on Lines 5b, 5c, 5d, 6b, 6c and 6d. Step 2) Manual Addition: Add the sum of Column G Lines 5b, 5c, 5d, 6b, 6c and 6d, minus Line 21b entries from the previous quarter's form CB-496, Part 3 report to account for the one additional quarter funded through grant award authority, but not yet subject to expenditure reporting.

Line 18c. Currently Reported and Cumulatively Funded Demonstration Operational Costs (75 percent FFP Rate) - The amount reported represents all operational costs reported over the life of the project as title IV-E training or other costs subject to the 75 percent FFP rate, minus any previously reported amounts that were not fundable.

- The Column E amount consists of the total of Lines 5e and 6c above and the total of Line 18c minus Line 21c from the previous quarter's demonstration project form CB-496, Part 3 report (appropriate column entries). The title IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the title IV-E agency should not reduce the Line 18c total if it decides to retain the funds pending a decision. In addition, should the title IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.
- The Column G entry is the sum of: Step 1) Calculation: Column E amount plus the Column G entries on Lines 5e and 6c. Step 2) Manual Addition: Add the total of Column H Lines 5e and 6c minus Line 21c entries from the previous quarter's form CB-496, Part 3 report to account for the one additional quarter funded through grant award authority, but not yet subject to expenditure reporting.

Line 19a. Cumulative Demonstration Operational Costs in Excess of Capped Allocation (FMAP Rate) – The amount reported represents any currently reported or previously funded project operational costs at the FMAP rate that exceed the cumulative Capped Allocation identified on this report.

The result of these steps, including negative amounts, is entered in Columns E and G of this line and constitutes the cumulative amount in excess of the Capped Allocation for the FMAP rate funding category. It should be noted that if this total exceeds the total reported on Lines 5a plus 6a, a portion of previously funded costs are now also in excess of the calculated Capped Allocation. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

- Calculated as: Line 18a minus Line 17a (Enter zero if Line 17a is greater than Line 18a)

Line 19b. Cumulative Demonstration Operational Costs in Excess of Capped Allocation (50 percent FFP Rate) – [This line is automatically calculated for Capped Allocation projects. No entries are required.] The amount reported represents any currently reported or previously funded project operational costs at the 50 percent FFP rate that exceed the cumulative Capped Allocation identified on this report.

The result of these steps, including negative amounts, is entered in Columns E and G of this line and constitutes the cumulative amount in excess of Capped Allocation for the 50 percent FFP rate funding category. It should be noted that if this total exceeds the total reported on Lines 5b plus 6b, a portion of previously funded costs are now also in excess of the calculated Capped Allocation. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

- Calculated as: Line 18b minus Line 17b (Enter zero if Line 17b is greater than Line 18b)

Line 19c. Cumulative Demonstration Operational Costs in Excess of Capped Allocation (75 percent FFP Rate) – The amount reported represents any currently reported or previously funded project operational costs at the 75 percent FFP rate that exceed the cumulative Capped Allocation identified on this report.

The result of these steps (including negative amounts) is entered in Columns E and G of this line and constitutes the cumulative amount in excess of Capped Allocation for the 75 percent FFP rate funding category. It should be noted that if this total exceeds the total reported on Lines 5c plus 6c, a portion of previously funded costs are now also in excess of the calculated Capped Allocation. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

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- Calculated as: Line 18c minus Line 17c (Enter zero if Line 17c is greater than Line 18c)

Line 20a. Fundable Portion of Total Quarterly Project Operational Costs (FMAP Rate) - *[This line is automatically calculated for Capped Allocation projects. No entries are required.]* Amounts are initially calculated in Columns E and G only. This is the maximum amount of the reported costs subject to Federal funding as of the date reported. If these calculated expenditure/estimate amounts (see below) match the amounts reported in the equivalent columns on Line 5a plus 6a, the remaining Line 20a columns are completed by copying data from Line 5a plus 6a. However, if there is a difference between these totals, the resulting Line 20a total computable expenditure amount is apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5a plus 6a, Columns A and C.

The amounts entered in the Federal share columns (Columns B, D, F and H) are also calculated by dividing the total computable amount (Columns A, C and G) by the calculated FFP rate.

The calculated FFP rate is equal to the Line 5a plus 6a Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

- Columns E and G. Calculated as: Line 5a Plus Line 6a minus Line 19a

Line 20b. Fundable Portion of Total Quarterly Project Operational Costs (50 percent FFP Rate) - Amounts are initially calculated in Columns E and G only. This is the maximum amount of the reported costs subject to Federal funding as of the date reported. If these calculated expenditure/estimate amounts (see below) match the amounts reported in the equivalent columns on Lines 5b, 5c, 5d and 6b, the remaining Line 20b columns are completed by copying data from the sum of Lines 5b, 5c, 5d and 6b. However, if there is a difference between these totals, the resulting Line 20b total computable expenditure amount is apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5b, 5c, 5d and 6b, Columns A and C.

The amounts entered in the Federal share columns (Columns B, D, F and H) are calculated by dividing the total computable amount (Columns A, C and G) by the calculated FFP rate.

The calculated FFP rate is equal to the sum of Lines 5b, 5c, 5d and 6b Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

- Columns E and G. Calculated as: Lines 5b + 5c + 5d + 6b minus Line 19b

Line 20c. Fundable Portion of Total Quarterly Project Operational Costs (75 percent FFP Rate) - Amounts are initially calculated in Columns E and G only. This is the maximum amount of the reported costs subject to Federal funding as of the date reported. If these calculated expenditure/estimate amounts (see below) match the amounts reported in the equivalent columns on Line 5e plus 6c, the remaining Line 20c columns are completed by copying data from Line 5e plus Line 6c. However, if there is a difference between these totals, the resulting Line 20c total computable expenditure amount is apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5e plus 6c, Columns A and C.

The amounts entered in the Federal share columns (Columns B, D, F and H) are calculated by dividing the total computable amount (Columns A, C and G) by the calculated FFP.

The calculated FFP rate is equal to the Line 5e plus 6c Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

- Columns E and G. Calculated as: Line 5e Plus Line 6c minus Line 19c

Line 21a. Non-Fundable Portion of Total Quarterly Project Operational Costs (FMAP Rate) - This line represents the amount of any reported FMAP rate operational cost claims that exceed the Capped Allocation calculation. This is the portion (if any) of the reported project operational costs subject to Federal funding at the FMAP rate that exceed the calculated Capped Allocation and are thus non-fundable.

- Columns E and G. Calculated as: Line 5a Plus Line 6a minus Line 20a
- If the calculated Columns E and G amounts are equal to zero, the remaining Line 21a columns are completed by entering zeroes. However, if Column E has a calculated entry greater than zero, the resulting Line 21a total computable expenditure amount is apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5a and 6a, Columns A and C.
- The amounts entered in the Federal share columns (Columns B, D, F and H) are calculated by multiplying the total computable amount (Columns A, C and G) by the calculated FMAP rate.
- The calculated FMAP rate is equal to the Line 5a plus Line 6a Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

Line 21b. Non-Fundable Portion of Total Quarterly Project Operational Costs (50 percent FFP Rate) - This line represents the amount of any reported 50 percent FFP rate operational cost claims that exceed the Capped Allocation calculation. Amounts are initially calculated in Columns E and G only. This is the portion (if any) of the reported project operational costs subject to Federal funding at the 50 percent FFP rate that exceed the calculated Capped Allocation and are thus non-fundable.

- Columns E and G. Calculated as: Lines 5b + 5c + 5d + 6b minus Line 20b
- If the calculated Columns E and G amounts are equal to zero, the remaining Line 21b columns are automatically completed by entering zeroes. However, if Column E has a calculated entry greater than zero, the resulting Line 21b total computable expenditure amount is apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5b, 5c, 5d and 6b, Columns A and C.
- The amounts entered in the Federal share columns (Columns B, D, F and H) are calculated by multiplying the total computable amount (Columns A, C and G) by the 50 percent FFP rate.

Line 21c. Non-Fundable Portion of Total Quarterly Project Operational Costs (75 percent FFP Rate) - This line represents the amount of any reported 75 percent FFP rate operational cost claims that exceed the Capped Allocation calculation. Amounts are initially calculated in Columns E and G only. This is the portion (if any) of the reported project operational costs subject to Federal funding at the 50 percent FFP rate that exceed the calculated Capped Allocation and are thus non-fundable.

- Columns E and G. Calculated as: Line 5e Plus Line 6c minus Line 20c
- If the calculated Columns E and G amounts are equal to zero, the remaining Line 21c columns are completed by entering zeroes. If, however, Column E has a calculated entry greater than zero, the resulting Line 21c total computable expenditure amount is apportioned between current and prior

quarter amounts in accordance with the relative percentages attributable to each category on Lines 5e and 6c, Columns A and C.

- The amounts entered in the Federal share columns (Columns B, D, F and H) are calculated by multiplying the total computable amount (Columns A, C and G) by the 75 percent FFP rate.

Line 22a. Cumulative Holding Account (Unfunded Operational Costs In Excess of Capped Allocation) (FMAP Rate) - A cumulative holding account balance for the FMAP rate Capped Allocation calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 19a total, it can differ based on prior project operations. An entry is calculated only in Column E (see below). The amount reported is the cumulative total current balance of the holding account for this funding rate.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 6a (demonstration project intervention and other waiver-based expenditures). When unused portions of a Capped Allocation are identified, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration project operations if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration expenditures. However, Federal regulations at 45 CFR 95.7, impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement. It should also be noted that in accordance with the Cash Management Improvement Act, title IV-E funds granted in a Federal fiscal year (FFY) remain available for a total of five FFYs and are then recovered as part of a close-out if not reported as expended.

- Column E.
Calculated as: Line 21a of this report + Line 22a from the prior quarter report minus adjustments

Line 22b. Cumulative Holding Account (Unfunded Operational Costs In Excess of Capped Allocation) (50 percent FFP Rate) - A cumulative holding account balance for the 50 percent FFP rate Capped Allocation calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 19b total, it can differ based on prior project operations. An entry is calculated only in Column E (see below). The amount reported is the cumulative total current balance of the holding account for this funding rate.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 6b (project intervention and other waiver based expenditures). When unused portions of a capped allocation are identified, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration operations if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration expenditures. However, Federal regulations at 45 CFR

95.7, impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement. It should also be noted that in accordance with the Cash Management Improvement Act, title IV-E funds granted in a FFY remain available for a total of five FFYs and are then recovered as part of a close-out if not reported as expended.

- Column E.

Calculated as: Line 21b of this report + Line 22b from the prior quarter report minus adjustments

Line 22c. Cumulative Holding Account (Unfunded Operational Costs In Excess of Capped Allocation) (75 percent FFP Rate) A cumulative holding account balance for the 75 percent FFP rate Capped Allocation calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 19c total, it can differ based on prior project operations. An entry is calculated only in Column E. The amount reported is the cumulative total current balance of the holding account for this funding rate.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 6c (project intervention and other waiver based expenditures). When unused portions of a Capped Allocation are identified, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration operations if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration expenditures. However, Federal regulations at 45 CFR 95.7 impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement. It should also be noted that in accordance with the Cash Management Improvement Act, title IV-E funds granted in a FFY remain available for a total of five FFYs and are then recovered as part of a close-out if not reported as expended.

- Column E.

Calculated as: Line 21c of this report + Line 22c from the prior quarter report minus adjustments

Line 6. Cumulative Experimental Group Cost Neutrality Limit (CNL) The amount to be entered in columns (E) and (G) (Federal share) should result from calculations in accordance with the approved terms and conditions on cost neutrality contained in each State's waiver. This represents the maximum amount of Federal funding available through this reporting period for reimbursement of allowable experimental group demonstration project operational expenditures (column E) and future estimates (column G).

The calculation must utilize data on demonstration experimental and control/comparison groups quarterly costs as delineated respectively on lines 1 and 2 in this Part as well, as cost data for any previous quarter(s) in which the demonstration project was operable. The State will also require information on the number of "cases" in both the experimental and the control/comparison groups. A separate spreadsheet identifying the State's CNL calculations should be maintained at the State agency as supporting documentation.

The column (G) amount should equal the column (E) amount plus the State's estimate of the additional CNL amounts projected for the subsequent quarter. If the State's approved demonstration terms and conditions provide for the option of "up-front" payments based upon estimates exceeding the cost neutrality calculation

by up to five percent, the amount entered in column g should include any portion of such additional funding authority sought by the State. If this option is elected, the State must attach figures showing the projected cost neutrality and the additional up-front funding sought along with a narrative explaining the basis for requesting the specified amount of funding in excess of the CNL. Any such funds approved will be subject to reconciliation based upon actual expenditures in accordance with the approved waiver terms and conditions.

Line 7. Cumulative Demonstration Experimental Group Operational Costs—This amount consists of the total of line 1 above plus line 7 from the previous quarter's Demonstration Projects report (appropriate column entries). The State must adjust this figure to exclude any expenditure amount not reimbursable due to its removal from the line 11 holding account (amounts in excess of the CNL) because of the expiration of the two-year filing limitation or any amount which is disallowed. If a disallowance action is appealed, the State should not reduce the line 7 total if it decides to retain the funds pending a decision. In addition, should the State prevail in the appeal, a further adjustment to this line may be necessary.

An adjustment may also be made in column G for any portion of a State's previous demonstration project estimate which was not funded through grant award authority. Where any such adjustments are made, states should maintain appropriate supporting work papers identifying the source and basis for the adjustment.

Line 8. Cumulative Demonstration Control/Comparison Group Operational Expenditures—Total of line 2 above plus line 8 from the previous quarter's Demonstration Projects report.

Line 9. Experimental Group Operational Costs in Excess of CNL—Step 1: Line 7 minus line 6. Amounts should be treated as zero (0) if the result is a negative number. A positive number should be recorded as calculated. Step 2: Subtract (from the Step 1 result) any line 9 entries from the previous quarter's Demonstration Projects report. The final result of these steps (including negative amounts) is entered in column (E) and (G) of this line.

Line 10. Total Quarterly Fundable Costs/Estimates—Amounts should initially be reported in column (E) and (G) only. The amount entered is equal to line 4 minus line 9. This is the maximum amount of the reported costs subject to Federal funding as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on line 4, the remaining line 10 columns should be completed by copying data from line 5. If, however, there is a difference between lines 4 and 10, the line 10 total Federal share expenditure amount should then be apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on line 4, columns b and d. The amounts entered in the total computable columns (columns A, C & F) are to be calculated by dividing the Federal share amount (columns B, D & G) by the calculated rate of Federal financial participation (FFP). The calculated FFP rate is equal to the line 4 Federal share amount in the same column divided by the associated total computable column (e.g., col. B/col. A).

Line 11. Remaining Current & Prior Quarter Costs (Holding Account)—An entry is required only in column E. The amount reported is equal to the line 9 (current report) plus line 11 from the previous quarter's Demonstration Projects fiscal report minus any adjustments. Adjustments can result from either a determination that an amount is no longer reimbursable or a movement of holding account amounts to line 15 (expenditure of available savings). When demonstration project savings are generated, the State should consider using these funds as reimbursement of holding account expenditures. State supporting work papers should be maintained to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration operations if the State intends to report prior quarter adjustments to demonstration expenditures. Federal regulations at 45 CFR 95.7, however, impose time constraints for the reporting of

increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement.

Section C - Savings/Expenditure Calculation Project Savings/Unused Allocations

Overview

This section provides the cumulative (life of the project) available funding for additional project operations including activities that are title IV-E allowable or approved project interventions and other services.

Project interventions are those forms of assistance and the provision of activities specifically approved as part of the demonstration strategy to achieve identified goals. These cost components are not allowable for title IV-E reimbursement absent the waiver authority. Provision of other services includes all other project operational expenditures that are in accordance with the waivers provided through the demonstration terms and conditions and that are not reported elsewhere in this Part for title IV-B or title IV-E purposes.

The cumulative funds available after the reporting of all project operational costs are typically referred to as expenditure of "savings" for experimental design projects since they include funds that under the cost neutrality limit (CNL) would have been spent for title IV-E allocable costs if no waiver authority had been granted. In capped allocation projects, such amounts are properly classified as "unused allocations" since they represent the difference between total operational costs and the available allocation. Although savings are generated through specific title IV-E funding activity categories (e.g., maintenance assistance payments) to assure title IV-E cost neutrality, savings amounts available through each funding category may be expended for any project intervention or other purpose authorized in the project terms and conditions.

I. Experimental Design Projects (Complete ONLY Lines 23a to 23b (as applicable) to report financial data for a project designated with an "Experimental Design" CNL.)

Line 23a. Maintenance Payments (FMAP Rate) - Title IV-E Savings Remaining Available for Expenditure - This line represents the amount of savings generated during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the FMAP rate. It consists of the total over the life of the project's operations by which the FMAP rate CNL exceeds currently reported and previously funded FMAP rate expenditures

- Column F. Calculated as: Line 11a minus Line 12a. If Line 12a is greater than Line 11a, enter zero.
- For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column F and a Column E entry is calculated to display the estimated total computable amount of savings. These amounts are labeled as "estimated" since the savings may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

Line 23b. Administration (50 percent FFP Rate) - Title IV-E Savings Remaining Available for Expenditure - This line represents the amount of savings generated during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the 50 percent FFP rate. It consists of the total over the life of the project's operations by which the 50 percent FFP rate CNL exceeds currently reported and previously funded 50 percent FFP rate expenditures.

- Column F. Calculated as: Line 11b minus Line 12b. If Line 12b is greater than Line 11b, enter zero

- For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column F and a Column E entry is calculated to display the estimated total computable amount of savings. These amounts are labeled as “estimated” since the savings may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

II. Capped Allocation Projects (Complete ONLY Lines 24a to 24c (as applicable) to report financial data for a project designated with a “Capped Allocation” CNL.)

Line 24a. FMAP Rate - Cumulative Title IV-E Capped Allocation Remaining Available for Expenditure -

This line represents the amount of the Capped Allocation during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the FMAP rate. It consists of the total over the life of the project’s operations by which the FMAP rate Capped Allocation exceeds currently reported and previously funded FMAP rate expenditures.

- Column E. Calculated as: Line 18a minus Line 17a. If Line 17a is greater than Line 18a, enter zero
- For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column E along with a Column F Federal share amount. These amounts are labeled as “estimated” since the unused allocation may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

Line 24b. 50 percent FFP Rate - Cumulative Title IV-E Capped Allocation Remaining Available for Expenditure - This line represents the amount of the Capped Allocation during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the 50 percent FFP rate. It consists of the total over the life of the project’s operations by which the 50 percent FFP rate Capped Allocation exceeds currently reported and previously funded 50 percent FFP rate expenditures.

- Column E. Calculated as: Line 18b minus Line 17b. If Line 17b is greater than Line 18b, enter zero
- For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column E along with a Column F Federal share amount. These amounts are labeled as “estimated” since the unused allocation may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

Line 24c. 75 percent FFP Rate - Cumulative Title IV-E Capped Allocation Remaining Available for Expenditure - This line represents the amount of the Capped Allocation during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the 75 percent FFP rate. It consists of the total over the life of the project’s operations by which the 75 percent FFP rate Capped Allocation exceeds currently reported and previously funded 75 percent FFP rate expenditures.

- Column E. Calculated as: Line 18c minus Line 17c. If Line 17c is greater than Line 18c, enter zero
- For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column E along with a Column F Federal share amount. These amounts are labeled as “estimated” since the

unused allocation may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

Line 12. Cumulative Savings Realized (Line 6 minus line 7) This amount should be reported in column E. An entry of zero (0) should be made unless the result is a positive number.

Line 13. Cumulative Savings Previously Expended Line 16 from the previous quarter's Demonstration Projects report.

Line 14. Total Savings Available for Expenditure (Line 12 minus line 13) Amount of savings remaining available for expenditure during the life of the demonstration project.

Line 15. Quarterly Expenditure of Available Savings The amount of available savings (line 14) either expended this quarter for otherwise not claimed title IV-B/IV-E eligible activities or the portion of the holding account expenditures (line 11) applied against savings. The appropriate level of State match should be used for all expenditures of available demonstration project savings.

If holding account amounts are included, an appropriate deduction to line 11 should appear on the next quarterly Demonstration Projects fiscal report. The State should maintain supporting work papers establishing how all amounts were expended.

Line 16. Cumulative Expenditure of Savings (Line 13 plus line 15) This amount identifies the portion of ever-earned savings expended to date.

Section D - Quarterly Claim/Estimate

Overview

This section summarizes total fundable claims and estimates for all demonstration projects identified for a title IV-E program. The total fundable amounts (Line 25c) are then transferred to Part 1 of form CB-496 to incorporate them into the reported program totals utilized in calculating grant awards.

Line 25a. Experimental Design Projects Subtotal –

- Calculated as the sum of Lines 3 + 4 + 14a + 14b.

Line 25b. Capped Allocation Design Projects Subtotal –

- Calculated as the sum of Lines 7 + 8 + 20a + 20b + 20c.

Line 25c. All Program Projects Total –

- Calculated as the sum of Lines 25a plus line 25b.
- The entries on line 25c must be transferred to the appropriate columns (Current Quarter Claim, Prior Quarter Adjustment, Next Quarter Estimate) to Part 1 of this form:
 - o Line 17 for Foster Care projects.
 - o Line 27 for Adoption Assistance projects or

o Line 37a for Guardianship Assistance projects.

Line 25d. Title IV-E Agency Share of All Program Projects Total Estimates - Amount of non-Federal funds applicable to Line 25c that the title IV-E agency is certifying as available as matching funds for the demonstration project in the upcoming quarter.

- Calculated as: Line 25c (Column G) minus line 25c (Column H).

~~**Line 17. Total Cost/Estimate** - Enter the amount from line 10 minus the amount on line 2 plus the amount on line 15. Control/comparison group expenditures must be deducted from the amount on line 10 to avoid a duplicative claim. All control/comparison group expenditures must be claimed on Part 1, lines 1-16 for foster care or 21-26 for adoption assistance. The line 15 amount is added to provide funding for qualifying expenditures of earned savings. The entries on line 17 must be transferred to Part 1, line 17 for foster care or line 27 for adoption assistance.~~