U.S. Department of Health and Human Services

Administration for Children & Families

INSTRUCTIONS FOR COMPLETION OF STATE TANF FINANCIAL REPORT FORMS: ACF-196R and ACF-196

NOTE: "THE PAPERWORK REDUCTION ACT OF 1995"

Public reporting for this collection of information is estimated to average 32 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Effective fiscal year (FY) 2015, all states (including the District of Columbia) must complete reporting in accordance with these instructions on behalf of the agency administering the Temporary Assistance for Needy Families (TANF) program. Additionally, 45 CFR 265.6 requires states to submit program data and financial status reports electronically.

Electronic Submission: States are required to submit TANF financial reports on the internet using the ACF On-Line Data Collection (OLDC) system website at https://extranet.acf.hhs.gov/ssi. OLDC reduces paperwork, allows for quicker processing, automatically completes required calculations, and checks for data entry errors.

Due Dates: ACF-196R reports must be received by the Administration for Children and Families (ACF) within 45 days after the end of each quarter of the fiscal year.

For Quarter Ending	Report Due
December 31	February 14
March 31	May 15
June 30	August 14
September 30	November 14

Quarterly Expenditure Reports

ACF-196R

PART 1: FINANCIAL DATA

Effective FY 2015, a state will report *actual* transfers, expenditures, and unliquidated obligations (henceforth referred to as expenditures) made with each open grant year award during a fiscal year. In other words, each quarterly report will reflect expenditures cumulative through that quarter *for the fiscal year*, resulting in a fourth quarter report that reflects actual expenditures made with the grant year (GY) award funds for the fiscal year.

A state must submit a quarterly ACF-196R for each open grant year award whether or not it had any expenditures during the quarter. Note that a state will only report Maintenance-of-Effort (MOE) or Contingency Fund expenditures for the fiscal year in the corresponding grant year's report (e.g., GY 2015 expended in FY 2015).

When TANF funds for a grant year are completely expended and all related MOE expenditures have been reported, a state must submit a report and mark the box "Final," indicating that that fiscal year's report is the final one for the grant year, i.e., Unliquidated Obligations and Unobligated Balances are zero. No further reporting of that TANF grant year award is necessary. Note, a state can submit its final ACF-196R for a grant year award at any time during the fiscal year. While unspent prior grant year funds remain available for use without fiscal year limitation (excluding Contingency Funds), ACF encourages states to spend their oldest funds first to close out the prior grant year awards and minimize state reporting burden.

Note that the ACF-196R includes a detailed list of expenditure categories (see "Line Item Instructions: ACF-196R" below).

PART 2: NARRATIVE DESCRIPTIONS OF EXPENDITURES AND ESTIMATES

Narratives are required for expenditures for categories of Assistance Authorized Solely Under Prior Law, Non-Assistance Authorized Solely Under Prior Law, and Other, as well as information on any expenditures reported based on an estimating methodology. These narratives are associated with all expenditures made in a fiscal year, regardless of the funding stream or grant year.

Descriptions of the nature of activities reported under Assistance Authorized Solely Under Prior Law, Non-Assistance Authorized Solely Under Prior Law, and Other should include information regarding the target population and the specific assistance or benefits provided.

A state must describe any estimates used in deriving any expenditures reported in any category in Part 2 of the ACF-196R. A state may not claim estimated expenditures if actual expenditures related to benefits provided to TANF-eligible recipients are reasonably available. If requiring actual data would be infeasible and if the state seeks to use a reasonable estimation methodology, it must describe why it cannot collect actual data, the estimating methodology, and why it is reasonable (both in estimating the share of families that can be claimed and the estimates for their expenses). Note that states may not estimate assistance.

A state will not have met the financial data reporting requirement unless the corresponding narrative sheet is completed, or a state validates that it does not have any information required by Part 2, e.g., it did not report expenditures in categories for activities Assistance Authorized Solely Under Prior Law, Non-Assistance Authorized Solely Under Prior Law, or Other, and it did not report any expenditures based on an estimating methodology.

Example

During FY 2015, a state receives TANF funds for the current fiscal year, i.e., GY 2015; the state also has TANF funds remaining from the GY 2012, GY 2013 and GY 2014 awards. By September 30, 2015, the state expended all the funds from the GY 2012 award, nothing from the GY 2013 award, and some funds from both the GY 2014 and GY 2015 TANF awards. On or before November 14, 2015, the state must submit the following reports for the period ending September 30, 2015:

1. ACF-196R-Part 1 for GY 2015 expended during FY 2015. The state will also report expenditures claimed as MOE for FY 2015 MOE in this form.
2. ACF-196R-Part 1 for GY 2014 expended during FY 2015.
3. ACF-196R-Part 1 for GY 2013 expended during FY 2015, validating "zeros."
4. ACF-196R-Part 1 for GY 2012 expended during FY 2015, marked "Revised" and "Final."
5. ACF-196R-Part 2 describing expenditures Authorized Solely Under Prior Law and Other, and any estimates made in FY 2015.

As cited in 45 CFR 265.8, a state that does not submit the required quarterly TANF Financial Report may be subject to a penalty.

Revisions to Data Reported in Prior Years

Revisions to data previously submitted may result from circumstances such mis-categorizing an expenditure, the return of previously transferred funds to TANF, or data input error. A state need not change its accounting method in order to comply with TANF financial reporting instructions.

Note that recoupments for overpayments received during the fiscal year do not result in an adjustment to a state's expenditure reporting; the funds are returned to the state TANF program, but are credited to the current grant year and are tracked separate from the ACF-196R. States must use recoupments of overpayments in accordance with TANF rules. Please see TANF-ACF-PI-2006-03 for more information on how states should treat recoupments of overpayments.

ACF-196R

Beginning with FY 2015, revisions to any expenditures made in FY 2015 and thereafter (federal and MOE) should be made to the ACF-196R of the report quarter ending September 30th of the fiscal year in which the expenditure occurred. (Adjustments or corrections for fiscal years prior to FY 2015 will be made to the ACF-196, as described below.) For example, during FY 2016, if a state needs to adjust a FY 2015 expenditure made with GY 2014 funds, it will do so in the ACF-196R for GY 2014 expended in FY 2015. Likewise, if a state needs to revise prior expenditures claimed as MOE, it will do so in the report for the fiscal year in which it was reported. For example, in order to change the amount of expenditures claimed as MOE during FY 2015, a state would revise the ACF-196R for GY 2015 expended in FY 2015.

When submitting a correction to a prior fiscal year report, a state must mark the box indicating that the report is revised. A state must submit a brief statement in an addendum that explains why the revision is necessary.

ACF-196

For needed adjustments or corrections related to expenditures that occurred prior to FY 2015, states will be able to access the ACF-196 displaying each grant year's expenditures and transfers cumulative through FY 2014. This will be based initially on the report submitted for the quarter ending September 30, 2014. States will report adjustments and corrections to this data in the appropriate grant year report. When submitting a correction to an ACF-196 report for a grant year, a state must mark the box indicating that the report is revised. Note that states will not be able to make changes to the Awarded line item; Adjusted Award, Total Expenditures, and Unobligated Balance will be recalculated automatically once a revision is made.

In order to adjust or correct expenditures claimed as MOE in fiscal years prior to FY 2015, a state will revise the appropriate grant year's ACF-196. For example, in order to revise expenditures claimed as MOE in FY 2013, a state will do so in the ACF-196 for GY 2013 expended through FY 2014. Note that there are no separate fiscal year reports prior to FY 2015. When submitting a correction to an ACF-196 report, a state must mark the box indicating that the report is revised.

The ACF-196 will display the expenditure amounts using the prior list of TANF expenditure categories (see TANF-ACF-PI-2013-01 for definitions of line items).

Cumulative Grant Year Reports

A Cumulative Grant Year Report will be generated by OLDC for each open grant year award. The Cumulative Grant Year Report will enable the state to monitor the funds remaining in each grant year's award, as well as its compliance with statutory requirements, including the 15 percent cap on administrative costs and the 30 percent limit on transfers to the Social Services Block Grant (SSBG) and the Child Care Development Fund (CCDF).

Cap on Administrative Costs

States have four administrative expenditure caps that must not be exceeded on the ACF-196R:

1. For the administrative expenditure cap applicable to State Family Assistance Grant (SFAG) funds (Column A), cumulative Administrative Costs (reported on Line 22.a. of the ACF-196R and Line 6.j. of the ACF-196) may not exceed 15 percent of the Adjusted Award on Line 4.
2. For the Administrative Cost cap applicable to state funds (Columns B and C), Administrative Costs reported on Line 22.a. of the ACF-196R (Columns B and C) may not exceed 15 percent of the Total Expenditures reported on Line 24.

3. For the administrative expenditure cap applicable to Contingency Funds the state may have received (Column D), Administrative Costs reported on Line 22.a. of the ACF-196R may not exceed 15 percent of the Total Expenditures on Line 24 Cumulative Fiscal Year Report.

4. For the Administrative Cost cap applicable to Emergency Contingency Funds the state may have received (Column E), Administrative Cost reported on Line 22.a. of the ACF-196R and Line 6.j. of the ACF-196 may not exceed 15 percent of the Awarded on Line 1.

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

<u>Limit on Transfers</u>

Section 404(d)(1) of the Social Security Act (the Act) governs the transfer of TANF funds to the CCDF Discretionary Fund and prohibits a state from transferring more than 30 percent of its total annual SFAG funds. Section 404(d)(2) of the Act governs the transfer of TANF funds to the SSBG program and prohibits a state from transferring more than 10 percent of its total annual SFAG funds to the SSBG. Also, the combined amount transferred to the SSBG and the CCDF Discretionary Fund may not exceed 30 percent of the annual SFAG funds. In other words, the sum of the total cumulative amount reported on Lines 2 and 3 of Column A, cannot exceed 30 percent of the annual TANF block grant.

Also, the total amount transferred to SSBG and CCDF affects the amount available for Jobs Access activities that may be used as the non-federal match under that program. The amount of TANF funds expended on Job Access programs that may be used as non-federal matching under the Job Access program is limited to the difference between 30 percent of TANF funds (amount reported on Line 1, Column A) and the total amount transferred to SSBG and the Discretionary Fund of CCDF (sum of amounts reported on Line 2, Column A, and Line 3, Column A).

Cumulative Fiscal Year Reports

A state will be required to sign off on a report displaying total funds expended in a single fiscal year (e.g., GY 2013 expended in FY 2015 plus GY 2014 expended in FY 2015 plus GY 2015 expended in FY 2015). A Cumulative Fiscal Year Report will be generated by OLDC for each fiscal year.

General Instructions

- Round all entries to the nearest dollar.

- Shaded blocks indicate that the entry of financial data is not required or is not applicable. In OLDC, some of these shaded areas are automatically generated or used as calculation checks.

- Include costs of contracts and subcontracts in the appropriate reporting category, based on their nature or function.

- Include costs of programs and services administered by counties, local agencies, and third-parties in the appropriate category, based on their nature or function.

- Report expenditures in the most specific and appropriate category. For example, if an expenditure that could be considered a Non-Recurrent Short-Term can also be reported under a more specific category, that spending should be reported in the more specific category if feasible.

General Block Entries

-Enter state name.

-Grant Year: OLDC will automatically populate the federal grant year associated with the expenditures being reported.

-Fiscal Year: OLDC will automatically populate the federal fiscal associated with the expenditures being reported.

- Report Quarter Ending Date: OLDC will automatically populate the ending date for which the expenditures are being reported.

- Next Quarter Ending: OLDC will automatically populate the ending date of the next quarter (the upcoming quarter, for which estimates are being requested on Line 30 in the ACF-196R).

> Example: The current report is due February 14, the report quarter ending date is December 31. The next quarter ending date for which estimates are requested is June 30. The estimate submitted on Line 30 (Column A) of the ACF-196R will be for the quarter of April 1 through June 30.

- Indicate whether this is a new report, a revision of a report previously submitted for the same period, or, if applicable, the final report (closing out the funds awarded).

- Add the signature of the person authorized to submit the report.

- Date Submitted: A date is automatically stamped when the report is submitted to ACF through OLDC.

- Note that the ACF-196 form, which a state will use to revise expenditures for fiscal years prior to FY 2015, will include the general block entries of the original form (Approved OMB No 0970-0247).   A state may only mark this form as "Revised" and "Final" when necessary.

Explanation of Columns

1. **Column A** is for reporting SFAG federal funds awarded and how those funds were utilized. This column may include Supplemental Grant for Population Increases for grant year in which such funds are or were awarded.

2. **Column B** is for reporting state MOE expenditures within the TANF program to meet its basic MOE requirement. Include state funds that are commingled with federal funds and segregated state funds expended under the state TANF program. Include all MOE funds contributed to a tribe or consortium of tribes operating an approved Tribal TANF Plan (see TANF-ACF-PA-2000-04 for more information). A state will only report expenditures claimed as MOE for a fiscal year in the grant year report of the corresponding fiscal year (e.g., GY 2015 expended in FY 2015).

    NOTE: States receiving Contingency Funds under section 403(b) for the fiscal year must also use this same column to report state TANF expenditures made to meet the Contingency Fund MOE requirement and matching expenditures made above the 100 percent MOE level. Expenditures made to meet the Contingency Fund MOE requirement and expenditures made above the MOE level (for matching purposes) must be expenditures made under the state TANF program only; they cannot include expenditures made under "separate state programs." In addition, child care expenditures (Line 11.a.) cannot be included as Contingency Fund MOE expenditures or expenditures that are matched with Contingency Funds.

3. **Column C** is for reporting state MOE expenditures in separate state programs, outside the state TANF program, to meet its basic MOE requirement. Include all MOE funds contributed to a tribe or consortium of tribes operating an approved Tribal TANF Plan (see TANF-ACF-PA-2000-04 for more information). A state will only report expenditures claimed as MOE for a fiscal year in the grant year report of the corresponding fiscal year (e.g., GY 2015 expended in FY 2015).

    NOTE: For the basic MOE requirement, the cumulative total expenditures (i.e., the sum of Columns B and C on Line 24 reported at the end of the federal fiscal year) should add up to at least 80 percent of FY 1994 historic state expenditures if the state did not meet the TANF work participation requirements, or at least 75 percent of fiscal year 1994 historic state expenditures if the state met the TANF work participation requirements.   See TANF-ACF-PI-1996-02 for more information.

4. **Column D** is for reporting the federal Contingency Fund grant awarded and how those funds were utilized. Because Contingency Funds must be expended in the fiscal year in which they were awarded, a state will only report Contingency Fund expenditures in the grant year report of the corresponding fiscal year (e.g., GY 2015 expended in FY 2015). This report is also the annual reconciliation of the Contingency Fund. Enter the Federal Medical Assistance Percentage Rate (FMAP) used by the state for the fiscal year for which Contingency Funds were received.

5. **Column E** is for reporting Emergency Contingency Funds awarded in FY 2009 or FY 2010 under American Recovery and Reinvestment Act of 2009 (ARRA) and how those funds were utilized. This column will be blacked out for all grant year reports aside from GY 2009 and GY 2010.

Line Item Instructions

Line 1. **Awarded.** Automatically generated in OLDC, Column A represents the cumulative total of federal TANF funds awarded (not including Contingency Funds) to the state (after any tribal adjustments) during a particular fiscal year.

Enter in Column D the cumulative total of Contingency Funds awarded under section 403(b) to the state during the fiscal year as of the date the report is being submitted.

Automatically generated in OLDC, Column E represents the cumulative total of federal TANF funds awarded to the state for GY 2009 and GY 2010.

Line 2. **Transferred to Child Care and Development Fund (CCDF) Discretionary.** Enter in Column A the total SFAG funds that the state transferred to the Discretionary Fund of the CCDF during the federal fiscal year. These funds are subject to the rules and regulations of that Fund in place for the fiscal year at the time when the transfer occurs. A state can only transfer current-year SFAG funds; it may not transfer prior year unobligated/reserved balances to the CCDF (i.e., this line item is only applicable in the fiscal year that a grant year award is made).

> **NOTE:** See information in section on "Cumulative Grant Year Reports" above for more information on monitoring the limit on transfers to CCDF Discretionary.
>
> **NOTE:** If funds transferred to CCDF in a prior fiscal year are returned to a TANF agency, the revision should be made to the report for the fiscal year when the transfer originally occurred. For example, if a state reports transferring $2 million of GY 2015 to CCDF in FY 2015, and then receives back $1 million during FY 2016, it should revise the amount reported as transferred in the ACF-196R for GY 2015 funds expended in FY 2015 from $2 million to $1 million.

Line 3. **Transfers to Social Services Block Grant (SSBG).** Enter in Column A the total federal SFAG funds the state transferred to the SSBG during the fiscal year. All funds transferred to the SSBG program are subject to the statute and regulations of the SSBG program in place for the fiscal year at the time when the transfer occurs and pursuant to Section 404(a)(3) shall be used only for programs and services to children or their families whose income is less than 200 percent of the income official poverty line (as defined by the Office of Management and Budget). A state may only transfer current-year federal SFAG funds; it may not transfer prior year unobligated/reserved balances to the SSBG (i.e., this line item is only applicable in the fiscal year that a grant year award is made).

> **NOTE:** See information in section on "Cumulative Grant Year Reports" above for more information on monitoring the limit on transfers to SSBG.

> **NOTE:** If funds transferred to SSBG in a prior fiscal year are returned to a TANF agency, the revision should be made to the report for the fiscal year when the transfer originally occurred. For example, if a state reports transferring $2 million of GY 2015 to SSBG in FY 2015, and then receives back $1 million during FY 2016, it should revise the amount reported as transferred in the ACF-196R for GY 2015 funds expended in FY 2015 from $2 million to $1 million.

Line 4. **Adjusted Award.** OLDC will automatically generate the cumulative total of funds available for TANF after subtracting the amounts transferred to the CCDF program (Line 2) and/or the SSBG program (Line 3) during the fiscal year.

> **NOTE:** This line item is only applicable in the fiscal year that a grant year award is made.

Line 5. **Carryover.** OLDC will automatically generate this amount, which represents the sum of the Federal Unliquidated Obligations and Unobligated Balances for a grant year award, as of the end of the previous fiscal year.

> **NOTE:** This line item is not applicable in the fiscal year that a grant year award is made (e.g., GY 2015 funds expended in FY 2015) and will be shaded accordingly.

> **NOTE:** Any revision to reports submitted in prior years will result in an automatic recalculation of Carryover of a grant year award in each of the subsequent fiscal years' ACF-196R reports.

Line 6. **Basic Assistance:** cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses). Expenditures should be reported in either Line 6.a or Line 6.b.

a. **Basic Assistance (excluding Payments for Relative Foster Care, and Adoption and Guardianship Subsidies):** payments on behalf of children for whom the child welfare agency does not have legal care and responsibility who are living with caretaker relatives. Include child support pass-through payments, i.e., the amount of the state's share of the assigned child support that it pays to the family (provided the state disregards this amount in determining the family's eligibility for and the amount of TANF assistance, in accordance with sections

409(a)(7)(B)(i)(I)(aa) and 457(a)(1)(B) of the Act and the TANF MOE regulations at 45 CFR 263.2(a)(1)).

b. **Relative Foster Care Maintenance Payments and Adoption and Guardianship Subsidies:** basic assistance provided on behalf of a child or children for whom the child welfare agency has legal placement and care responsibility and is living with a caretaker relative; or child or children living with legal guardians. This category also includes ongoing adoption subsidies. All expenditures are for cases that are not eligible for IV-E foster care assistance or subsidies. Include expenditures for payments made to foster parents standing *in loco parentis*, if state law provides.

<u>**Line 7.**</u> **Assistance Authorized Solely Under Prior Law:** activities that are not otherwise consistent with the purposes of TANF and/or with the prohibitions in section 408, but are allowable expenditures of federal TANF funds as per section 404(a)(2), i.e., activities for which the state was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995, or (at the option of the state) August 21, 1996. Any expenditures that are consistent with the purposes of TANF, even if authorized under prior law, should not be reported in this category. For each subcategory below under which a state is reporting expenditures, the state must include a description of the nature of these benefits, including information regarding the target population and the specific assistance provided, in Part 2 of the ACF-196R. The addendum must also reference the state Aid to Families with Dependent Children (AFDC) plan provision under which these expenditures are authorized. (Note that states may not report MOE expenditures in this category; all state MOE expenditures must be consistent with the purposes of TANF).

a. **Foster Care Payments:** foster care assistance on behalf of children, authorized solely under section 404(a)(2) of the Act and referenced in a state's former AFDC or Emergency Assistance plan.
b. **Juvenile Justice Payments:** assistance payments on behalf of children in the state's juvenile justice system, authorized solely under section 404(a)(2) of the Act and referenced in a state's former AFDC or Emergency Assistance plan.
c. **Emergency Assistance Authorized Solely Under Prior Law:** other benefits authorized solely under section 404(a)(2) of the Act and referenced in a state's former AFDC or Emergency Assistance plan.

<u>**Line 8.**</u> **Non-Assistance Authorized Solely Under Prior Law:** activities that are not otherwise consistent with the purposes of TANF and/or with the prohibitions in section 408, but are allowable expenditures of federal TANF funds as per section 404(a)(2), i.e., activities for which the state was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995 (to continue approved juvenile justice services), or (at the option of the state) August 21, 1996. Any expenditures that are consistent with the purposes of TANF, even if authorized under prior law, should not be reported in this category. For each subcategory below under which a state is reporting expenditures, the state must include a description of the nature of these benefits, including information regarding the target population and the specific assistance provided, in Part 2 of the ACF-196R. The addendum must also reference the state AFDC plan provision under which these

expenditures are authorized. (Note that states may not report MOE expenditures in this category; all state MOE expenditures must be consistent with the purposes of TANF).

a. **Child Welfare or Foster Care Services:** services provided to children and their families involved in the state's child welfare system, authorized solely under section 404(a)(2) of the Act, and referenced in a state's former AFDC or Emergency Assistance plan.
b. **Juvenile Justice Services:** juvenile justice services provided to children, youth, and families, authorized solely under section 404(a)(2) of the Act, and referenced in a state's former AFDC or Emergency Assistance plan.
c. **Emergency Services Authorized Solely Under Prior Law:** other services, authorized solely under section 404(a)(2) of the Act, and referenced in a state's former AFDC or Emergency Assistance plan.

Line 9. Work, Education, and Training Activities

a. **Subsidized Employment:** payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, or training. Also include costs for subsidizing a portion of the participant's wage to compensate an employer for training costs. Do not include expenditures related to payments to or on behalf of participants in community service and work experience activities that are within the definition of assistance. Include expenditures for subsidized employment targeted for youth.
b. **Education and Training:** education and training activities, including secondary education (including alternative programs); adult education, high school diploma-equivalent (such as GED) and ESL classes; education directly related to employment; job skills training; education provided as vocational educational training or career and technical education; and post-secondary education. Do not include costs of early care and education or after-school or summer enrichment programs for children and youth in elementary, middle school, or high school.
c. **Additional Work Activities:** work activities that have not been reported in employment subsidies or education and training. Include costs related to providing work experience and community service activities, job search assistance and job readiness, related services (such as employment counseling, coaching, job development, information and referral, and outreach to business and non-profit community groups).

Line 10. Work Supports: assistance and non-assistance transportation benefits, such as the value of allowances, bus tokens, car payments, auto repair, auto insurance reimbursement, and van services provided in order to help families obtain, retain, or advance in employment, participate in other work activities, or as a non-recurrent, short-term benefit. It also includes goods provided to individuals in order to help them obtain or maintain employment, e.g., tools, uniforms, fees to obtain special licenses, as well as bonuses, incentives, and work support allowances (that do not meet the definition of "assistance"). Do not include child care; such expenditures should be reported under Early Care and Education, under Line 11.a. Do not include supportive services, such as substance abuse, mental health, and domestic violence services; such expenditures should be reported under Supportive Services on Line 16. Include expenditures for Job Access, which should also be reported on Line 26.

Line 11. **Early Care and Education**

a. **Child Care (Assistance and Non-Assistance):** child care expenditures for families that need child care to work, participate in work activities (such as job search, community service, education, or training), or for respite purposes. This includes child care provided to families who receive child care during a temporary period of unemployment. The amounts reported in this category do not include funds transferred to the CCDF (Discretionary Fund - reported on the ACF-696) or the SSBG programs.

b. **Pre-Kindergarten/Head Start:** pre-kindergarten or kindergarten education programs (allowable if they do not meet the definition of a "general state expense"), expansion of Head Start programs, or other school readiness programs.

Line 12. **Financial Education and Asset Developments:** programs and initiatives designed to support the development and protection of assets including contributions to Individual Development Accounts (IDAs) and related operational costs (that fall outside the definition of administrative costs), financial education services, tax credit outreach campaigns and tax filing assistance programs, initiatives to support access to mainstream banking, and credit and debt management counseling.

Line 13. **Refundable Earned Income Tax Credits:** refundable portion of state or local earned income tax credits (EITC) paid to families and otherwise consistent with the requirements of 45 CFR Parts 260 and 263 of the TANF regulations. If the state is using an intercept to recoup a debt owed to the state, only the portion of the refundable EITC that is actually received by the family may be considered a federal TANF or MOE expenditure.

Line 14. **Non-EITC Refundable State Tax Credits:** refundable portion of other tax credits provided under state or local law that are consistent with the purposes of TANF and the requirements of 45 CFR Parts 260 and 263 of the TANF regulations (e.g. state refundable child care tax credit). If the state is using an intercept to recoup a debt owed to the state, only the portion of the refundable tax credit that is actually received by the family may be considered a federal TANF or MOE expenditure.

Line 15. **Non-Recurrent Short Term Benefits:** short-term benefits to families in the form of cash, vouchers, subsidies, or similar form of payment to deal with a specific crisis situation or episode of need and excluded from the definition of assistance on that basis. This category includes expenditures such as emergency assistance and diversion payments, emergency housing and short-term homelessness assistance, emergency food aid, short-term utilities payments, burial assistance, clothing allowances, and back-to-school payments. It does not include tax credits, child care, transportation, or short-term education and training; such expenditures should be reported under other categories, as appropriate. Note, if there is another category specific to an activity, the related expenditures should be reported under that category, rather than Line 15, regardless of whether the activity meets the definition of Non-Recurrent Short Term Benefit at 45 CFR 261.31(b)(1).

Line 16. **Supportive Services**: services such as domestic violence services, and health, mental health, substance abuse and disability services, housing counseling services, and other family supports. (Note that a state may not use federal TANF funds on expenditures for medical services).

Line 17. **Services for Children and Youth:** programs designed to support and enrich the development and improve the life-skills and educational attainment of children and youth. This may include after-school programs, and mentoring or tutoring programs. Note that if there is another category specific to an activity, the related expenditures should be reported under that category, rather than Line 17; for example, subsidized youth employment programs should be reported under Line 9.a.

Line 18. **Prevention of Out-of-Wedlock Pregnancies:** programs that provide sex education or abstinence education and family planning services to individuals, couples, and families in an effort to reduce out-of-wedlock pregnancies. Includes expenditures related to comprehensive sex education or abstinence programs for teens and pre-teens. Other benefits or services that a state provides under TANF purpose 3 (to prevent and reduce the instances of out-of-wedlock pregnancies), should be reported under a more appropriate subcategory, e.g., Services for Children and Youth.

Line 19. **Fatherhood and Two-Parent Family Formation and Maintenance Programs:** programs that aim to promote responsible fatherhood and/or encourage the formation and maintenance of two-parent families. For example, activities within these programs may include marriage education, marriage and relationship skills, fatherhood skills programs; parent skills workshops; public advertising campaigns on the value of marriage and responsible fatherhood; education regarding how to control aggressive behavior; financial planning seminars; and divorce education and reduction programs.

Line 20. **Child Welfare Services**

a. **Family Support/Family Preservation/Reunification Services**: community-based services, provided to families involved in the child welfare system that are designed to increase the strength and stability of families so children may remain in or return to their homes. These services may include respite care for parents and relative caregivers; individual, group, and family counseling; parenting skills classes; case management; etc.
b. **Adoption Services**: services and activities designed to promote and support successful adoptions. Services may include pre- and post-adoptive services to support adoptive families, as well as adoptive parent training and recruitment.
c. **Additional Child Welfare Services**: other services provided to children and families at risk of being in the child welfare system, or who are involved in the child welfare system. This may include independent living services, service coordination costs, legal action, developing case plans, assessment/evaluation of family circumstances, and transportation to or from any of the services or activities described above.

Line 21. **Home Visiting Programs**: expenditures on programs where nurses, social workers, or other professionals/para-professionals provide services to families in their homes, including evaluating the families' circumstances; providing information and guidance around maternal health and child health and development; and connecting families to necessary resources and services.

Line 22. **Program Management**

a. **Administrative Costs:** defined in 45 CFR Part 263.0. Based on the nature or function of the contract, states must include appropriate administrative costs associated with contracts and subcontracts that count towards the 15 percent administrative cost caps. See information in section on "Cumulative Grant Year Reports" above for more information on monitoring the 15 percent cap on administrative costs.
b. **Assessment/Service Provision:** costs associated with screening and assessment (including substance abuse screening), SSI/SSDI application services, case planning and management, and direct service provision that are neither "administrative costs," as defined at 45 CFR Part 263.0, nor are otherwise able to be allocated to another expenditure category. For example, case management for a TANF recipient related to the provision of an array of services.
c. **Systems:** costs related to monitoring and tracking under the program. Note that section 404(b)(2) states that the 15 percent administrative cost cap shall not apply to the use of the grant for information technology and computerization needed for tracking or monitoring required by or under part IV-A of the Act. The systems exclusion applies to items that might normally be administrative costs, but are systems-related and needed for monitoring or tracking purposes under TANF. Under our final rules the same information technology exclusion applies to MOE expenditures. The TANF regulations at 45 CFR 263.2 and 263.11 provide guidance about what is excluded under this definition.

Line 23. **Other:** non-assistance activities that were not included under Line 6 through Line 22. States including expenditures on this line must provide a description of the specific benefits provided and the target population in Part 2 of the ACF-196R.

Line 24. **Total Expenditures.** The total expenditures (i.e., the sum of Line 6 through Line 23) of federal TANF and MOE funds expended in a fiscal year will be automatically generated in OLDC for Columns A, B, C, D, and E.

> **NOTE:** The state must describe any estimates used in deriving any expenditures reported in any category in Part 2 of the ACF-196R. A state may not report estimated expenditures if actual expenditures related to benefits provided to TANF-eligible recipients are reasonably available. If requiring actual data would be infeasible or would materially interfere with delivering the benefit or service and if the state seeks to use a reasonable estimation methodology, it must both describe the methodology and explain why it is reasonable, both in estimating the share of families that can be claimed and the estimates for their expenses.

Line 25. **Transitional Services for Employed.** Enter in Columns A, B, C, D, and E the total expenditures to provide transitional services to families that cease to receive assistance under the TANF program because of employment.

> **NOTE:** Expenditures reported on Line 25 must also be included in the expenditure categories reported on Line 6 through Line 23 above. Section 411(a)(5) of the Act requires separate quarterly reporting of expenditures on transitional services for families who have ceased to receive assistance because of employment.

Line 26. **Job Access:** expenditures for the Department of Transportation Access to JOBS program. Column A must include only federal TANF expenditures that are used to meet matching requirements for the Department of Transportation Job Access program.

> **NOTE:** Expenditures reported on Line 26 must also be included in the expenditure categories reported on Line 10 above. See information in section on "Cumulative Grant Year Reports" above for more information on monitoring the limit on expenditures for Job Access.

Line 27. **Federal Unliquidated Obligations.** Enter in Columns A, D, and E the federal unliquidated obligations for the fiscal year. Obligations reported on this line must meet the definition of obligations contained in 45 CFR 92.3. For the Contingency Fund (Column D), this line should indicate $0 (zero dollars).

Line 28. **Unobligated Balance.** OLDC will automatically generate total federal unobligated balances of the grant year's funds, as of the end of the fiscal year. After the end of the federal fiscal year, any amount reported in Column D as an unobligated balance will be de-obligated by ACF.

> **NOTE:** A state must report any federal funds reserved for "rainy day" purposes as an unobligated balance on this line. ARRA lifted the limitation on section 404(e) of the Act on using carryover/reserved TANF funds only on Assistance. Beginning with FY 2009, with the exception of federal Contingency Funds; any federal TANF funds (including Emergency Contingency Funds and Supplemental Grants) carried into a succeeding fiscal year may be spent on any TANF allowable activities (but not transferred).

> **NOTE:** Any revisions to reports submitted in prior years will result in an automatic recalculation of the Unobligated Balance of a grant year award in each of the subsequent fiscal years' ACF-196R reports.

Line 29. **State Replacement Funds.** Enter in Column B the cumulative total state replacement funds expended as a result of the imposition of a TANF penalty from October 1st of the federal fiscal year for which the report is being submitted through the current quarter being reported. If a state's SFAG is reduced because of the imposition of a penalty under section 409, section 409(a)(12) provides that the state must replace funds lost due to the penalty with state funds in an amount that is no less than the amount withheld. These funds must be in addition to the funds reported under Line 24, Column B.

<u>Line 30.</u> Estimate of TANF Funds Requested for the Following Quarter. Enter in Column A the estimate of SFAG grant award funds requested for the next quarter ending (refer to the next quarter ending entered at the top of this report).

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

Administration for Children and Families
370 L'Enfant Promenade, S.W. Washington, D.C. 20447