INSTRUCTIONS FOR COMPLETION OF STATE TANF FINANCIAL REPORT FORM ACF-196R

All states (incl DC) must complete Form ACF-196R in accordance with these instructions for the administration of the Temporary Assistance for Needy Families (TANF) program.

In accordance with federal regulations at 45 CFR 265.6, Form ACF-196R , and any related program reports, must be submitted electronically through the ACF On-Line Data Collection (OLDC) system. Paper copies of these reports are no longer being accepted either by mail, by fax or as an email attachment. (See ACF Office of Grants Management Action Transmittal, OGM-AT-13-01, September 25, 2013.)

<u>Due Dates</u>: Form ACF-196R must be submitted within 45 days of the end of each quarter of the federal fiscal year, or **no later than February 14, May 15, August 14 and November 14**.

> **<u>NOTE</u>:** In accordance with 45 CFR 261.43, some states use Maintenance-of-Effort (MOE) spending data in the calculation of the caseload reduction credit, which in turn determines the work participation rate a state must meet for a fiscal year. In such a case, the amount of the state's prior year MOE spending in excess of its basic MOE requirement factors into the calculation of the caseload reduction credit.
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> The due date for the ACF-202, the Caseload Reduction Report, for a particular fiscal year is December 31 of the preceding calendar year. For example, the ACF-202 for FY 2018 is due by December 31, 2017. A state that opts to report only the pro rata share of the average monthly comparison-year caseload that is used to meet basic MOE (i.e., a state that opts to count "excess MOE" in its caseload reduction credit) risks invalidating its caseload reduction credit if reduces the amount of its reported MOE after the December 31 deadline.
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> For purposes of matching related program reports, the MOE reported as expended on the ACF-196R for the quarter ending September 30 of year 1 *(including any revisions made by no later than December 31of year 1 report)* will be the <u>maximum</u> amount considered for the calculation of the caseload reduction credit.

<u>Quarterly Expenditure Reports</u>

<u>ACF-196R</u>

PART 1: FINANCIAL DATA

Effective FY 2015, a state will report cumulative Transfers, Expenditures, and Unliquidated Obligations made with each open grant through the federal fiscal year only rather than cumulative overall for all years as was done prior to federal fiscal year 2015. In other words, each quarterly report will reflect expenditures cumulative through the quarter *for the federal fiscal year being reported*, resulting in a fourth quarter report that reflects actual expenditures made with the grant year (GY) award funds for the federal fiscal year. States will no longer report expenditures cumulative through the current reporting period for all years, as they did prior to federal fiscal year 2015 on the ACF-196.

A state will only report MOE, Contingency Fund expenditures, and transfers for the first federal fiscal year of a grant (e.g., GY 2015 expended in FY 2015).

A state must submit a quarterly ACF-196R for each open grant year award whether or not it had any expenditures during the quarter. The OLDC system will make sure that for FY 2015 and forward, states have no gaps in filing prior report periods, before initiating a new report for the selected quarter. In addition, OLDC will allow states to clone expenditure data submitted in a previous quarter.

When TANF funds for a grant are completely expended, a state must submit a report and mark the box "Final," indicating that it is the final one for the grant, 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 award at any time. 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). Line items for Awarded, Adjusted Award, Carryover, Total Expenditures and Unobligated Balance will be pre-populated or calculated within each Fiscal Year/Grant Year form.

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.

Descriptions for these expenditure categories should include information regarding the target population (including estimated size, if available), and the types and amounts of benefits provided. Additionally, a state must describe any estimates used in deriving any expenditures reported in *any* category in Part 2 of the ACF-196R. Estimates are not allowed if actual data are available. If actual data are not available, please provide an explanation as to why estimates were used, as well as a description of the methods for estimation. Note that states may not estimate assistance.

These narratives will be required once per year, and are associated with all expenditures made in a federal fiscal year by all open grants. (See section on "Cumulative Fiscal Year Reports" below for more information.) A state must submit a Part 2 report for a federal fiscal year, or validate that it does not have any information required by Part 2 to report, by the deadline for that federal fiscal year's fourth quarter report.

Example

During FFY 2015, a state receives TANF funds for the current year, i.e., GY 2015; the state also has TANF funds remaining from prior years, 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 FFY 2015. The state will also report expenditures claimed as MOE for FFY 2015 MOE in this form.
2. ACF-196R-Part 1 for GY 2014 expended during FFY 2015.
3. ACF-196R-Part 1 for GY 2013 expended during FFY 2015, validating "zeros."
4. ACF-196R-Part 1 for GY 2012 expended during FFY 2015, marked "Final."
5. ACF-196R-Part 2 describing all expenditures, regardless of grant year, for Authorized Solely Under Prior Law and Other line items, as well as any estimating methodology used to report expenditures, regardless of grant year, in any line items.

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 as mis-categorizing an expenditure, the return of previously transferred funds to TANF, or data input error. Recoupments for overpayments received during the federal 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.

Note, a state should report and revise expenditures according to its own accounting method (cash vs. accrual); in other words, it need not change its own accounting method in order to comply with TANF financial reporting instructions.

ACF-196R

Beginning with FFY 2015, revisions to any expenditures made in FFY 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 federal fiscal years prior to FFY 2015 will be made to the ACF-196, as described below.) For example, during FFY 2016, if a state needs to adjust a FFY 2015 expenditure made with GY 2014 funds, it will do so in the ACF-196R for GY 2014 expended in FFY 2015 (i.e., the GY 2014 ACF-196R for the quarter ending September 30, 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 FFY 2015, a state would revise the ACF-196R for GY 2015 expended in FFY 2015 (i.e., the GY 2015 ACF 196R for the quarter ending September 30, 2015).

In order for the revisions of a prior year ACF-196R report for the quarter ending September 30 to be reflected on subsequent fiscal year reports, intervening fiscal year reports for each quarter ending September 30 must be revalidated. For example, the following actions are required when increased expenditures are to be reflected on the GY14 report for the quarter ending September 30, 2014 during the quarter ending March 31, 2017 reporting period:

1. Make desired expenditure changes on the GY 2014 report for the quarter ending September 30, 2014 by submitting a "Revised" report.
2. Prepare and submit a "Revised" report for GY 2014 for the quarter ending September 30, 2015.
3. Prepare and submit a "Revised" report for GY 2014 report for the quarter ending September 30, 2016.
4. For QE 3-31-17, prepare report as usual; or, if report already begun, revalidate it so that OLDC will pull the now revised prior information.

States will not be able to make changes to the Awarded line item. Line items for Adjusted Award, Carryover, Total Expenditures, and Unobligated Balance will be recalculated automatically once a revision is made.

Whenever a state makes a correction to a prior fiscal year report, OLDC automatically marks the check-box indicating that this is a revised report. A state must submit a brief statement in an addendum that explains why the revision is necessary. Include dollar amount(s) and line item(s) for each revision.

Please note the following special Instructions for Revising Federal Unliquidated Obligations:

> A state should not revise Federal Unliquidated Obligations in prior years once it liquidates those funds and reports them as expenditures in future fiscal years. For example, if a state reports $1 million of GY 2015 funds as Unliquidated Obligations at the end of FFY 2015, once it reflects the liquidation of these funds as an expenditure in a future quarter (i.e., FFY 2016 or later) the state should not revise the $1 million figure to $0 on the GY 2015 report for FFY 2015.
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> On the other hand, if a state revises an expenditure reported in a prior year, and this revision affects the amount reported in as Federal Unliquidated Obligations in that year, then it should revise the Federal Unliquidated Obligations as well. For example, a state reported Total Expenditures of $10 million and Federal Unliquidated Obligations of $3 million on its ACF-196R for GY 2015 funds expended in FFY 2015. If during FFY 2016, it recognizes that it actually had liquidated $11 million in Total Expenditures of GY 2015 during FFY 2015, it should revise the appropriate expenditure categories to reflect the additional $1 million in expenditures, and reduce its Federal Unliquidated Obligations to $2 million.

<u>ACF-196</u>
For needed adjustments or corrections related to expenditures that occurred prior to FFY 2015, states will be able to access the ACF-196 displaying each grant year's expenditures and transfers cumulative through FFY 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. Note that there are no separate federal fiscal year reports prior to FFY 2015.

In order to adjust or correct expenditures claimed as MOE in fiscal years prior to FFY 2015, a state will revise the appropriate grant year's ACF-196. For example, in order to revise expenditures claimed as MOE in FFY 2013, a state will do so in the ACF-196 for GY 2013 as cumulatively reported through FFY 2014 on the quarter ending September 30, 2014 for GY 2013.

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). States will not be able to make changes to the Awarded line item. Line items for Adjusted Award, Total Expenditures, and Unobligated Balance will be recalculated automatically once a revision is made.

Whenever a state makes a correction to an ACF-196 report, OLDC automatically marks the check-box indicating that this is a revised report. A state must submit a brief statement in an addendum that explains why the revision is necessary. Include dollar amount(s) and line item(s) for each revision.

Please note that for GYs 2009 and 2010, the ACF-196 included a separate column for expenditures made with Supplemental Grant funds (Column F). Column F will be removed from the ACF-196 for these two grant years, and the system will incorporate awards and expenditures reported in this column with Column A awards and expenditures. For GYs 2009 and 2010, any revisions to expenditures made with Supplemental Grant funds prior to FY 2015 should be reflected in Column A.

Cumulative Federal Fiscal Year Reports

The system will provide a report displaying total funds expended in a single federal fiscal year (e.g., GY 2013 expended in FFY 2015 plus GY 2014 expended in FFY 2015 plus GY 2015 expended in FFY 2015). A state may use this report when completing Part II of the ACF-196R with its fourth quarter submission. After a fiscal year is complete, this report is automatically updated when a state revises expenditures it had previously reported in that fiscal year.

Cumulative Grant Year Reports

A Cumulative Grant Year Report will be generated by OLDC for each open grant year award, totaling expenditures made with a particular grant in all federal fiscal years. This report is automatically updated with each revision or submission of new expenditures made with a particular grant.

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).

<u>Cap on Administrative Costs</u>

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

1. For the administrative expenditure cap applicable to federal funds (Columns A, D, and (for GY 2009 and GY 2010) Column E, 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 sum of the Adjusted

Award on Line 4 (Column A), Total Expenditures on Line 24 for the Contingency Fund (Column D), and the Award on Line 1 for the Emergency Contingency Fund, if applicable (Column E).

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 (Columns B and C).

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.

NOTE: When administrative expenditures exceed the 15 percent cap, OLDC will provide warnings in the first 3 quarters, and an **error** in the 4^{th} quarter of any grant year reporting period.

Limit on Transfers

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.

Furthermore, 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).

Closing Out a Grant

When a state checks the box indicating that the quarterly report for a particular grant is “Final,” OLDC will proceed with data validations as follows:

- OLDC will automatically generate the Cumulative Grant Year Report through the reporting period of the “Final” report.
- Once OLDC validates that the state did not exceed the caps on administrative costs and the limits on transfers (see previous section for more information), OLDC then checks the Unliquidated Obligations and Unobligated Balance within the Cumulative Grant Year Report.
- If the available balance (sum of Unliquidated Obligations and Unobligated Balance) is not zero, OLDC will display an error message to the state trying to file a “Final” report.
- If the available balance is zero, OLDC will require the state to confirm that all funds for the grant have been expended (i.e., Unliquidated Obligations and Unobligated Balance are zero) and the grant is ready for closeout. The state is responsible for making sure the data reported in OLDC agrees with data in the Payment Management System (i.e. the ACF 196R Line 24 total expenditures plus transfers to the CCDF (Line 2) and SSBG (Line 3) should equal the total reported disbursements and draws in PMS).

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 (the fiscal year in which the grant was originally awarded) associated with the expenditures being reported.

-Federal Fiscal Year: OLDC will automatically populate the federal fiscal year, which corresponds to the federal fiscal year of the expenditure reporting period (see Report Quarter Ending).

- 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.

- OLDC will indicate whether this is a new report or a revision of a report previously submitted for the same period. If applicable check the box indicating that the report is final, i.e., the report you are submitting will be the final report for the grant year, thereby closing out the grant.

- Add the signature of the person authorized to submit the report. Note that this signature conveys sign-off of data elements for which the state is responsible; the following line items will be pre-populated or calculated for the grantee: Awarded, Adjusted Award, Carryover, Total Expenditures, and Unobligated Balance.

- Date Submitted: OLDC will automatically stamp a date when the report is submitted.

- Note that the ACF-196 form, which a state will use to revise expenditures for federal fiscal years prior to FFY 2015, will include the general block entries of the original form (Approved OMB No 0970-0247).

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

<u>Line 1.</u> 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.

Automatically generated in OLDC, Column D represents 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.

<u>Line 2.</u> 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.
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> **NOTE:** Revisions to the amount transferred to CCDF in a prior fiscal year must 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. The transfer amount may be revised by preparing and submitting a "revised" report for the applicable grant year and the report for the quarter ending September 30 for the federal fiscal year in which the transfer first occurred.

<u>Line 3.</u> 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.
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> **NOTE:** Revisions to the amount transferred to SSBG in a prior fiscal year 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. The transfer amount may be

revised by preparing and submitting a "revised" report for the applicable grant year and the report for the quarter ending September 30 for the fiscal year in which the transfer first occurred.

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 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 in this line item 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.

Line 7. **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 Part 2 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 Part 2addendum 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.

<u>Line 9.</u> 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).

<u>Line 10.</u> **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.

<u>Line 11.</u> **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.

<u>Line 12.</u> **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.

<u>Line 13.</u> **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.

<u>Line 14</u>. **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.

<u>Line 21.</u> **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.

<u>Line 22.</u> **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.

<u>Line 23.</u> **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.

<u>Line 24.</u> **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.

<u>Line 25.</u> **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.