

Instructions for Completion of Form ACF-696T Financial Reporting Form for the Child Care and Development Fund (CCDF) Tribal Lead Agencies

OVERVIEW

Pursuant to CCDF regulations at 45 CFR 98.65(h)(5)(i), and as part of the terms and conditions of the grant award, Tribal Lead Agencies are required to complete and submit annual financial status reports (ACF-696T) in accordance with these instructions.

The ACF-696T form and instructions can be found on the Office of Child Care (OCC) website at: <https://www.acf.hhs.gov/occ/policy-guidance/ccdf-state-territory-and-tribal-reporting>.

CCDF is the primary federal funding source for child care subsidies and includes child care programs conducted under the provisions of the Child Care and Development Block Grant Act, as amended. For Tribal Lead Agencies, the fund consists of Discretionary funds authorized under section 658B of the amended Act, and Tribal Mandatory funds appropriated under section 418 of the Social Security Act. Additional legislation has also authorized one-time supplemental CCDF funding for Tribal Lead Agencies, as described below.

TERMINOLOGY

To ensure clear communications for overlapping grant periods, please use the following terminology:

- Grant year (GY) refers to the federal fiscal year during which funds are awarded, although Tribal Lead Agencies may liquidate CCDF funding streams in later fiscal years.
- Federal fiscal year (FFY) refers to the federal fiscal year period from October 1 through September 30, during which Tribal Lead Agencies may spend funds awarded.
- Reallotted Discretionary funds are unused current GY Discretionary funds re-awarded into the same originating GY to other Tribal Lead Agencies (thus retaining original obligation and liquidation requirements).

SUBMISSION AND DUE DATES

Electronic Submission. The ACF-696T must be submitted electronically via the ACF On-Line Data Collection (OLDC) system accessed through the Grant Solutions portal at: <https://home.grantsolutions.gov/home/>. The electronic submission requirement regulation can be found here: <https://www.federalregister.gov/documents/2013/10/01/2013-23773/final->

[notice-to-announce-the-implementation-of-required-electronic-submission-of-state-or-tribal.](#)

Tribal Lead Agencies that need access to OLDC may email a completed OLDC Access Request Form to the appropriate ACF Regional Office contact. The OLDC Access Request Form is available electronically (along with OLDC help sheets, user guides and tutorials) at: <https://extranet.acf.hhs.gov/oldcdocs/materials.html>. Please submit an OLDC Access Request Form for each staff person who will play a role in using OLDC. ACF will create a User ID based on the information provided on the OLDC Access Request Form. An e-mail message is automatically sent to the staff member identified on the OLDC Access Request Form when an OLDC User ID and password is created for that person.

Due Date. The ACF-696T form must be received by ACF within 90 days after the end of the federal fiscal year (FFY)—i.e., December 29 of each year. Tribal Lead Agencies must submit separate annual reports for each GY in which CCDF funds were awarded. An interim report is submitted if the Tribal Lead Agency has not yet expended all funds for a given GY. A final report is submitted once all funds for a given GY have been expended. In other words, Tribal Lead Agencies have to submit interim cumulative reports annually (even if no expenditures are made) until all funds that were awarded in a given GY have been liquidated. Any funds not used must be reported as unobligated. Since CCDF funds are available for use in more than one fiscal year, grant periods may overlap. A Tribal Lead Agency may have to submit more than one ACF-696T financial reporting form each year.

For example, if a Tribal Lead Agency has received GY 2019, GY 2020 and GY 2021 funds, annual reports would be due as follows:

First interim GY 2019 report was due on or before 12/29/2019
Second interim GY 2019 report was due on or before 12/29/2020
Final GY 2019 report is due on or before 12/29/2021

First interim GY 2020 report was due on or before 12/29/2020
Second interim GY 2020 report is due on or before 12/29/2021
Final GY 2020 report is due on or before 12/29/2022

First interim GY 2021 report is due on or before 12/29/2021
Second interim GY 2021 report is due on or before 12/29/2022
Final GY 2021 report is due on or before 12/29/2023

Thus, Tribal Lead Agencies may be submitting up to three reports at the end of any given FFY.

Supporting Documentation. Upon request, a Tribal Lead Agency must provide the Administration for Children and Families with supporting documentation for any reported expenditures to ensure compliance with federal CCDF rules.

GENERAL INSTRUCTIONS AND IDENTIFYING INFORMATION

Overall:

- Report out to cents.
- Include costs of contracts and subcontracts in the appropriate reporting category based on their nature or function.

OLDC auto-populated information: Please confirm the OLDC auto-populated information on the 696T form (if incorrect, please notify your Grants Management Specialist):

- Tribal Lead Agency.
- Grant Year (GY) is the federal fiscal year funds were Awarded. The GY for a grant award can be found at the top of the Notice of Grant Award received from ACF and is also displayed in the first and second positions of the grant document number.
- Grant Document Number (GDN) is found on page 2 of the Notice of Award under the section “Financial Information” and heading “Document Number”. *Note:* “CCDF” refers specifically to the Mandatory funding stream as well as generally to the ACF-696T report, which describes expenditure from all CCDF funding streams (e.g., CCDF, CCDD, CONT, etc.). Therefore, the GDN shown at the top of the report form should be *****CCDF.
- Expenditure period covered by the report (i.e., the period during which reported cumulative expenditures were made). The expenditure period should correspond with the FFY—beginning on October 1 and ending on September 30. For example, if the Tribal Lead Agency is reporting expenditures made during FFY 2021, the expenditure period reported on the ACF-696T form would be “10/1/2020 to 9/30/2021”.

Final Report. Check box at top of form to indicate whether submission is Final (Yes or No). A Tribal Lead Agency should mark “yes” if it has finished expending funds for the given GY and should mark “no” if it plans future expenditures from the given GY. *Note:* Reports marked “Final” must match the corresponding Payment Management System (PMS) grant accounts, e.g., final reported expenditures must match the final PMS disbursed and PMS charged (drawn) funds.

Report Revisions. Each report *submission* should be retained to ensure proper documentation of original filing dates and tracing and documentation of revisions made. Currently, to file a report revision, the original report must first be in a status of “Submission Accepted by CO” in OLDC. If it is not, please contact your Grants Management Specialist. Once in this status, you may then prepare and file a revised report and it will indicate “Revision #1” or “Revision #2” etc. as applicable at the top of the form.

OBLIGATION AND LIQUIDATION

Generally speaking, an obligation is an action that commits the funds, such as a legally-binding agreement (e.g., contract or subgrant) between two parties for purchase of services, supplies or equipment. Liquidation generally means the payment of funds to a third party as a result of an obligation.

More specifically, determination of whether funds have been obligated and liquidated will be based on applicable Tribal, State, or local law. If there is no applicable Tribal, State, or local law, then definitions at 45 CFR 75.2 apply (as described further in the last paragraph of this box).

Depending on applicable law, obligations may include subgrants or contracts that require the payment of funds to a third party (e.g., subgrantee or contractor). However, the following are not considered third party grantees or contractors: (1) a local office of the Lead Agency; (2) another entity at the same level of government as the Lead Agency; or (3) a local office of another entity at the same level of government as the Lead Agency.

Funds for CCDF services provided through a child care certificate or voucher will be considered obligated when a written certificate/voucher is issued to a family that indicates: (1) the amount of funds that will be paid to a child care provider or family, and (2) the specific length of time covered by the certificate/voucher, which is limited to the date established for redetermination of the family's eligibility, but shall be no later than the end of the liquidation period.

In cases where Tribal, State, or local law does not apply, 45 CFR 75.2 defines "obligations" and "liquidations" as follows:

- Obligations means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-federal entity during the same or a future period.
- Liquidations (or outlays/expenditures) as charges made to the project or program. For reports prepared on a cash basis, liquidations are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, liquidations are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received,

for services performed by employees, contractors, subgrantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

Obligation and Liquidation Periods by funding stream. Each funding stream has different obligation and liquidation requirements. Tribal Lead Agencies must follow the applicable obligation and liquidation periods when expending and accounting for CCDF grant funds (see 45 CFR 98.60(e)). Table 1 below indicate obligation and liquidation requirements for each of the Tribal CCDF funding streams, including allowable and approved funds transferred to construction or major renovation. Table 2 below provides GY 2021 funding stream examples. For funds transferred to construction or major renovation, obligation and liquidation periods begin with the year the funds were originally awarded regardless of the date of transfer. Funds cannot be transferred to construction or major renovation after the end of the GY (the FFY in which they were originally awarded). Any funds transferred to construction or major renovation not liquidated by their respective due dates will revert to the federal government.

Table 1: Obligation and Liquidation Periods by funding stream:

	Must be Obligated by:	Must be Liquidated by:
Mandatory and Discretionary Funds	End of 2 nd FFY	End of 3 rd FFY
Mandatory and Discretionary Funds used for Construction or Major Renovation	No separate obligation requirement	End of 3 rd FFY*
Discretionary Disaster Relief Funds	End of 2 nd FFY	End of 3 rd FFY
Discretionary Disaster Relief Funds used for Construction or Major Renovation	End of 4 th FFY	End of 5 th FFY*
Discretionary CARES Act Funds	FFY2022 (9/30/2022)	FFY2023 (9/30/2023)
Discretionary CARES Act Funds used for Construction or Major Renovation	FFY2022 (9/30/2022)	FFY2023 (9/30/2023)
Discretionary CRRSA Act Funds (Funding source: GY21)	FFY2022 (9/30/2022)	FFY2023 (9/30/2023)
Discretionary CRRSA Act Funds used for Construction or Major Renovation (Funding source: GY21)	No separate obligation requirement	FFY2023 (9/30/2023)
Supplemental Discretionary ARP Act Funds (Funding source: GY21)	FFY2023 (9/30/23)	FFY2024 (9/30/24)
Supplemental Discretionary ARP Act Funds used for Construction or Major Renovation (Funding source: GY21)	No separate obligation requirement	FFY2024 (9/30/24)
Stabilization ARP Act Funds (including base amount) (Funding source: GY21)	FFY2022 (9/30/22)	FFY2023 (9/30/23)
Stabilization ARP Act Funds (including base amount) used for or Major Renovation (Funding source: GY21)	No separate obligation requirement	FFY2023 (9/30/23)

*Note: Obligation and liquidation periods for construction or major renovation begin with the year the funds were originally awarded, not when they are transferred.

Table 2: Example of Obligation and Liquidation Periods for funds awarded in multiple years, if the source of funds is GY 2021:

Funding source: GY21	Must be Obligated by:	Must be Liquidated by:
Mandatory and Discretionary Funds	FFY2022 (9/30/2022)	FFY2023 (9/30/2023)
Mandatory and Discretionary Funds used for Construction or Major Renovation	No separate obligation requirement	FFY2023 (9/30/2022)
Discretionary Disaster Relief Funds	FFY2022 (9/30/2022)	FFY2023 (9/30/2023)
Discretionary Disaster Relief Funds used for Construction or Major Renovation	FFY2024 (9/30/2024)	FFY2025 (9/30/2025)

Obligation and Liquidation Timeframes for regular mandatory and discretionary funding.

Tribal Lead Agencies have two years to obligate regular Mandatory and Discretionary funds and an additional year to liquidate. For example, GY 2021 Mandatory and Discretionary funds must be obligated by September 30, 2022. These funds must be liquidated by September 30, 2023.

Regular mandatory or discretionary funds transferred to construction or major renovation have three years to liquidate with no separate obligation requirement. For example, GY 2021 regular mandatory or discretionary funds later transferred to construction or major renovation must be liquidated by September 30, 2023.

Obligation and Liquidation Timeframes for Discretionary Disaster Relief Funds.

Tribal Lead Agencies have two years to obligate Discretionary Disaster Relief funds and an additional year to liquidate. For example, GY 2020 Discretionary Disaster Relief Funds must be obligated by September 30, 2021 and liquidated by September 30, 2022.

Discretionary Disaster Relief funds transferred to construction or major renovation have four years to obligate and one additional year to liquidate. For example, GY 2020 Discretionary Disaster Recovery funds transferred to construction or major renovation must be obligated by September 30, 2023 and liquidated by September 30, 2024 regardless of the date of transfer. Funds cannot be transferred to construction after the end of the GY (the FFY in which they were originally awarded).

Obligation and Liquidation Timeframes for Discretionary CARES Act Funds.

Tribal Lead Agencies have three years to obligate Discretionary CARES Act funds and one additional year to liquidate. This gives Tribal Lead Agencies until September 30, 2022 to obligate Discretionary CARES Act funds (which were awarded in GY 2020) and must liquidate those funds by September 30, 2023.

Discretionary CARES Act funds transferred to construction or major renovation have the same obligation/liquidation requirements, regardless of the date of transfer. Funds cannot be transferred to construction after the end of the GY (the FFY in which they were originally awarded).

Obligation and Liquidation Timeframes for Discretionary CRRSA Act Funds.

Tribal Lead Agencies have two years to obligate Discretionary CRRSA Act funds and one additional year to liquidate. This gives Tribal Lead Agencies until September 30, 2022 to obligate Discretionary CRRSA Act funds and must liquidate those funds by September 30, 2023.

Discretionary CRRSA Act funds transferred to construction or major renovation have three years to liquidate (i.e., by September 30, 2023) with no separate obligation requirement. Funds cannot be transferred to construction after the end of the GY (the FFY in which they were originally awarded).

Obligation and Liquidation Timeframes for Supplemental Discretionary ARP Act Funds

Tribal Lead Agencies have three years to obligate Supplemental Discretionary ARP Act funds (i.e., by September 30, 2023) and an additional year to liquidate (i.e., by September 30, 2024).

Supplemental Discretionary ARP Act funds transferred to construction or major renovation have four years to liquidate (i.e., by September 30, 2024) with no separate obligation requirement. Funds cannot be transferred to construction after the end of the GY (the FFY in which they were originally awarded).

Obligation and Liquidation Timeframes for Stabilization ARP Act Funds

Tribal Lead Agencies have two years to obligate Stabilization ARP Act funds (i.e., by September 30, 2022) and an additional year to liquidate (i.e., by September 30, 2023).

Stabilization ARP Act Funds transferred to construction or major renovation have 4 years to liquidate (i.e., by September 30, 2024) with no separate obligation requirement. Funds cannot be transferred to construction after the end of the GY (the FFY in which they were originally awarded).

DISCRETIONARY DISASTER RELIEF FUNDS NARRATIVE REPORT

The annual submission of the financial report should include an attached narrative description of the services and activities funded with Discretionary Disaster Relief funds. The narrative should describe all services and activities funded with Discretionary Disaster Relief funds that were spent in the FFY by the Tribal Lead Agency, regardless of the GY (the year in which those funds were awarded). Specifically, the narrative report should provide an explanation for the amounts reported on Columns (F) and (G). The narrative report should include, but is not limited to, the following information:

- Specific project or activity titles with descriptions of deliverables, and the name of the entity(ies) that are responsible for deliverables;
- Description of outputs, such as the number of persons served and/or products produced in activity.

DISCRETIONARY CARES ACT FUNDS NARRATIVE REPORT

The annual submission of the financial report should include an attached narrative description of the services and activities funded with Discretionary CARES Act funds. The narrative should describe all services and activities funded with Discretionary CARES Act funds that were spent in the FFY by the Tribal Lead Agency. Specifically, the narrative report should provide an explanation for the amounts reported in columns (H) and (I) and should include but is not limited to how funding was used for allowable activities that prevent, prepare for, and respond to COVID-19. The narrative report should include, but is not limited to, the following information:

- Specific project or activity titles with descriptions of deliverables/activities, and the name of the entity(ies) that are responsible for deliverables/activities;
- Description of outputs, such as the number of persons served and/or products produced in activity.

DISCRETIONARY CRRSA ACT FUNDS NARRATIVE REPORT

The annual submission of the financial report should include an attached narrative description of the services and activities funded with Discretionary CRRSA Act funds. The narrative should describe all services and activities funded with Discretionary CRRSA Act funds that were spent in the FFY by the Tribal Lead Agency. Specifically, the narrative report should provide an explanation for the amounts reported in columns (J) and (K) and should include but is not limited to how funding was used for allowable activities that prevent, prepare for, and respond to COVID-19. The narrative report should include, but is not limited to, the following information:

- Specific project or activity titles with descriptions of deliverables/activities, and the name of the entity(ies) that are responsible for deliverables/activities;
- Description of outputs, such as the number of persons served and/or products produced in activity.

SUPPLEMENTAL DISCRETIONARY ARP ACT FUNDS NARRATIVE REPORT

The annual submission of the financial report should include an attached narrative description of the services and activities funded with Supplemental Discretionary ARP Act funds. The narrative should describe all services and activities funded with Supplemental Discretionary ARP Act funds that were spent in the FFY by the Tribal Lead Agency. Specifically, the narrative report should provide an explanation for the amounts reported in columns (L) and (M) and should include but is not limited to how funding was used for allowable activities that prevent, prepare for, and respond to COVID-19. The narrative report should include, but is not limited to, the following information:

- Specific project or activity titles with descriptions of deliverables/activities, and the name of the entity(ies) that are responsible for deliverables/activities;
- Description of outputs, such as the number of persons served and/or products produced in activity.

CUMULATIVE GRANT YEAR TOTALS

All amounts reported must reflect expenditures of federal CCDF funds made under the Tribal Lead Agency's approved CCDF plan and in accordance with all applicable statutes and regulations. Do not include Tribal, local, private, or other funds.

Tribal Lead Agencies should report amounts on a cumulative basis. For example, for funds awarded in GY 2021, the first interim report is due by December 29, 2021, the second interim report is due by December 29, 2022, and the third and final report is due by December 29, 2023. Amounts reported in the second and third reports should reflect expenditures to date, including any expenditures that were included in the earlier report(s).

COLUMNS

Column A. Tribal Mandatory Funds. Amounts reported in this column relate to Tribal Mandatory funds provided under section 418 of the Social Security Act. Tribal Mandatory funds are child care funds set aside at section 418(a)(4) of the Social Security Act. The funds consist of

\$100,000,000 of the Mandatory and Matching child care funds reserved by the Secretary in each fiscal year for payments to Indian Tribes and tribal organizations.

Column B. Discretionary Funds. Amounts reported in this column relate to Tribal Discretionary funds provided under the Child Care and Development Block Grant Act, not including the base amount, which is reported separately in Column C. Discretionary funds are child care funds authorized under section 658B of the Child Care and Development Block Grant Act. The Secretary reserves not less than 2 percent of total Discretionary funds in each GY for grants to Indian Tribes and tribal organizations.

Although Tribal Lead Agencies receive CCDF federal funds from two different sources (Tribal Mandatory and Discretionary), both Tribal Mandatory and Discretionary funds may be expended for the same purposes--child care services, child care administration, non-direct services, quality activities, and (subject to ACF approval) construction or major renovation. Expenditures are subject to certain limitations and requirements that are described below in the line-by-line instructions.

Column C. Discretionary Funds Base Amount. Amounts reported in this column relate to the Discretionary base amount. Tribal grants from Discretionary funds include a base amount of \$30,000 for individual Tribes (not part of a consortium). Tribal Lead Agencies representing a consortium of Tribes receive \$30,000 for each consortium member (or a pro-rated amount for members with fewer than 50 children).

The base amount may be used for any activity consistent with the purposes of CCDF, including the administrative costs of implementing a child care program and is not subject to the 15 percent administrative cost limitation.

Column D. Construction or Major Renovation Tribal Mandatory Funds. Amounts reported in this column relate to funds transferred from the Tribal Mandatory funds grant award to a separate grant award for construction or major renovation. Note: A Tribal Lead Agency must request and receive ACF approval prior to using funds for construction or major renovation that are reported in Columns D and E.

Column E. Construction or Major Renovation Tribal Discretionary Funds. Amounts reported in this column relate to funds transferred from the Discretionary funds grant award to a separate grant award for construction or major renovation. Note: A Tribal Lead Agency must request and receive ACF approval prior to using funds for construction or major renovation that are reported in Columns D and E.

Column F. Discretionary Disaster Relief Funds. Amounts reported in this column relate to Discretionary Disaster Relief funds.

The Supplemental Appropriations for Disaster Relief Act of 2019 (Pub. L. 116-20) made disaster relief funds available to Tribal Lead Agencies (as well as State and Territory Lead Agencies) for child care expenses directly related to Hurricanes Florence and Michael, Typhoon Mangkhut, Super Typhoon Yutu, wildfires and earthquakes that occurred in calendar year 2018, and tornadoes and floods occurring in calendar year 2019.

Column G. Discretionary Disaster Relief Funds—Construction or Major Renovation. Amounts reported in this column relate to Discretionary Disaster Relief funds used for construction or major renovation.

Tribal Lead Agencies that are awarded Discretionary Disaster Relief funds may use those funds for renovating, repairing, or rebuilding child care facilities, subject to ACF approval. Upon approval, ACF will transfer any funds approved for use on construction or major renovation to a separate grant award, which will be reported in Column G. If some or all funds transferred to the separate grant award are ultimately not needed for construction or major renovation, the Tribal Lead Agency may request permission from ACF to use the funds for other allowable CCDF purposes (i.e., purposes other than construction or major renovation). By law, Discretionary Disaster Relief funds used for construction or major renovation are not subject to administrative cost, quality, or direct services requirements. Note: A Tribal Lead Agency must request and receive ACF approval prior to using funds for construction or major renovation that are reported in Columns G.

Column H. Discretionary CARES Act Funds. Amounts reported in this column relate to Discretionary CARES Act funds.

These additional Discretionary funds were appropriated in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136), which was passed into law on March 27, 2020. These are 100% federal funds. The CARES Act included \$3.5 billion in Discretionary funding, \$96,250,000 of which was allocated to Tribal Lead Agencies. The funding is in addition to the FFY 2020 appropriations levels and is meant to supplement, not supplant, Tribal general revenue funds for child care assistance for low-income families. The supplemental funding must be used for activities authorized under the CCDBG Act that prevent, prepare for, and respond to COVID-19. Tribal Lead Agencies do not need to apply for the funds since they were awarded on a formula basis. CARES Act funds are subject to all CCDF Discretionary requirements, except as noted.

Column I. Discretionary CARES Act Funds—Construction or Major Renovation. Amounts reported in this column relate to Discretionary CARES Act funds used for construction or major renovation.

Tribal Lead Agencies that are awarded Discretionary CARES Act funds may use those funds for renovating, repairing, or rebuilding child care facilities, subject to ACF approval. Upon approval, ACF will transfer any funds approved for use on construction or major renovation to a separate grant award, which will be reported in Column I. If some or all funds transferred to the separate grant award are ultimately not needed for construction or major renovation, the Tribal Lead Agency may request permission from ACF to use the funds for other allowable CCDF purposes (i.e., purposes other than construction or major renovation). Note: A Tribal Lead Agency must request and receive ACF approval prior to using funds for construction or major renovation that are reported in Columns I.

Column J. Discretionary CRRSA Act Funds. Amounts reported in this column relate to Discretionary CRRSA Act funds.

These additional Discretionary CRRSA Act funds were appropriated in the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (via the Consolidated Appropriations Act of 2021, H.R. 133-402), which was passed into law on December 27, 2020. These are also 100% federal funds. The CRRSA Act included \$10 billion in CCDF Discretionary funding, \$275,000,000 of which was allocated to Tribal Lead Agencies. The funding is in addition to the FFY 2021 appropriations levels and is meant to supplement, not supplant, Tribal general revenue funds for child care assistance for low-income families. The supplemental funding must be used for activities authorized under the CCDBG Act that prevent, prepare for, and respond to COVID-19. Tribal Lead Agencies do not need to apply for the funds since they were awarded on a formula basis. CRRSA Act funds are subject to all CCDF Discretionary requirements, except as noted.

Column K. Discretionary CRRSA Act Funds—Construction or Major Renovation. Amounts reported in this column relate to Discretionary CRRSA Act funds used for construction or major renovation.

Lead Agencies that are awarded CRRSA Act funds may use those funds for renovating, repairing, or rebuilding child care facilities, subject to ACF approval. Upon approval, ACF will transfer any funds approved for use on construction or major renovation to a separate grant award, which will be reported in Column K. If some or all funds transferred to the separate grant award are ultimately not needed for construction or major renovation, the Tribal Lead Agency may request permission from ACF to use the funds for other allowable CCDF purposes (i.e., purposes other than construction or major renovation). Note: A Tribal Lead Agency must request and receive

ACF approval prior to using funds for construction or major renovation that are reported in Columns K.

Column L. Supplemental Discretionary ARP Act Funds. Amounts reported in this column relate to Supplemental Discretionary ARP Act funds.

These Supplemental Discretionary ARP Act funds were appropriated in the American Rescue Plan (ARP) Act of 2021 (P.L. 117-2), which was signed into law on March 11, 2021. These are also 100% federal funds. This Act included \$14,990,000,000 in CCDF Discretionary funding, \$449,700,000 of which was allocated to Tribal Lead Agencies. This funding is in addition to the GY 2021 appropriations levels and is meant to supplement, not supplant other federal, Tribal, State, Territory, and local public funds for child care services for eligible individuals. It should be noted that previous COVID-19 related funding also had non-supplantation requirements, but those did not specify “federal” funds as the non-supplantation requirement does for ARP Act funding. Unlike CARES Act and CRRSA Act funds, Supplemental Discretionary ARP Act funding is not restricted to activities responding to the COVID-19 public health emergency. Tribal Lead Agencies do not need to apply for these funds since they were awarded on a formula basis as detailed in the CCDBG Act. These funds are subject to all CCDF Discretionary requirements, except as noted.

Column M. Supplemental Discretionary ARP Act Funds—Construction or Major Renovation. Amounts reported in this column relate to Supplemental Discretionary ARP Act funds used for construction or major renovation.

Tribal Lead Agencies that are awarded Supplemental Discretionary ARP Act funds may use those funds for renovating, repairing, or rebuilding child care facilities, subject to ACF approval. Upon approval, ACF will transfer any funds approved for use on construction or major renovation to a separate grant award, which will be reported in Column M. If some or all funds transferred to the separate grant award are ultimately not needed for construction or major renovation, the Tribal Lead Agency may request permission from ACF to use the funds for other allowable CCDF purposes (i.e., purposes other than construction or major renovation). Note: A Tribal Lead Agency must request and receive ACF approval prior to using funds for construction or major renovation that are reported in Columns M.

Column N. Stabilization ARP Act Funds—Base Amount. Amounts reported in this column relate to the Tribal base amount awarded as part of the Stabilization ARP Act funds.

Section 2202 of the ARP Act of 2021 (P.L. 117-2) which was signed into law on March 11, 2021, provides \$23,975,000,000 to States, Territories, and Tribes for stabilization grants to eligible

child care providers. Tribal lead agencies received \$719,250,000 for stabilization grants under the ARP Act. These are also 100% federal funds.

ACF recognizes the substantial effort of establishing a new child care stabilization program and awarded a stabilization base amount and a per-child amount for all Tribal Lead Agencies. The base amount for individual Tribes (not part of a consortium) is \$30,000. Tribal Lead Agencies representing a consortium of Tribes receive \$30,000 for each consortium member (or a pro-rated amount for members with fewer than 50 children).

Stabilization grant funding is in addition to the GY 2021 CCDF appropriations levels and is meant to supplement, not supplant, other federal, Tribal, State, and local public funds expended to provide child care services for eligible individuals. It should be noted that previous COVID-19 related funding also had non-supplantation requirements, but those did not specify “federal” funds as the non-supplantation requirement does for ARP Act funding. The base amount may be used for any activity consistent with the purposes of the stabilization grants, including the administrative costs of implementing a child care stabilization program. Tribal Lead Agencies did not have to apply for these funds.

Column O. Stabilization ARP Act Funds—Not Including Base Amount. Amounts reported in this column relate to the Stabilization ARP Act funds that are awarded in addition to the base amount (in Column N) and distributed based on a per-child amount.

Section 2202 of the ARP Act of 2021 (P.L. 117-2) which was signed into law on March 11, 2021, provides \$23,975,000,000 to States, Territories, and Tribes for stabilization grants to eligible child care providers. Tribal Lead Agencies received \$719,250,000 for stabilization grants under the ARP Act. These are also 100% federal funds.

ACF recognizes the substantial effort of establishing a new child care stabilization program and awarded a stabilization base amount and a per-child amount for all Tribal Lead Agencies. The per-child amount is distributed among Tribal Lead Agencies based on the number of children under age 13 living in Tribal communities.

Stabilization grant funding is in addition to the GY 2021 CCDF appropriations levels and is meant to supplement, not supplant, other federal, Tribal, State, and local public funds expended to provide child care services for eligible individuals. It should be noted that previous COVID-19 related funding also had non-supplantation requirements, but those did not specify “federal” funds as the non-supplantation requirement does for ARP Act funding. Tribal Lead Agencies did not have to apply for these funds.

Column P. Stabilization ARP Act Funds —Construction or Major Renovation. Amounts reported in this column relate to Stabilization ARP Act funds (base amount and per-child funds) used for construction or major renovation.

Tribal Lead Agencies that are awarded Stabilization ARP Act funds may use those funds for renovating, repairing, or rebuilding child care facilities, subject to ACF approval. Upon approval, ACF will transfer any funds approved for use on construction or major renovation to a separate grant award, which will be reported in Column P. If some or all funds transferred to the separate grant award are ultimately not needed for construction or major renovation, the Tribal Lead Agency may request permission from ACF to use the funds for other allowable CCDF purposes (i.e., purposes other than construction or major renovation). Note: A Tribal Lead Agency must request and receive ACF approval prior to using funds for construction or major renovation that are reported in Columns P.

LINES

Line 1. Federal Funds Awarded. Confirm in Columns A, B, C, F, H, J, L, N, and O the total amount of federal funds awarded for each columnar category for the GY for which the report is being submitted. No entry should be made in Columns D, E, G, I, K, M, and P. For example, Line 1 Column A should be the total amount of federal Tribal Mandatory funds issued to the Tribal Lead Agency for the GY for which the report is submitted. The amount of funds awarded is indicated on the Notice of Grant Award received from ACF. The amount of funds awarded can also be found on the Office of Child Care’s website at: <http://www.acf.hhs.gov/programs/occ/law/allocations/tribal.htm>. Please use the “final” allocation table for the relevant GY.

Line 2. Transfer to Construction or Major Renovation. Confirm in Columns A, B, C, F, H, J, L, N, and O the total amount of federal funds transferred to the construction or major renovation grant award for each columnar category from the GY for which the report is being submitted. No entry should be made in Columns D, E, G, I, K, M, and P. For example, Line 2 Column A should contain the total amount of federal Tribal Mandatory funds transferred to construction or major renovation from the grant year for which the report is submitted. The amount of funds transferred to construction or major renovation is indicated on a separate construction or major renovation Notice of Grant Award received from ACF.

The amounts reported on Line 2 are the amounts that have been transferred to the separate grant award for construction or major renovation--not amounts that have actually been expended for construction or major renovation. Amounts expended for construction or major renovation are reported on Line 9.

Once funds are transferred for construction or major renovation, those funds remain there; however, upon ACF approval (in accordance with CCDF-ACF-PI-2020-02), those funds may be used for other child care activities. Please note that if the Tribal Lead Agency subsequently requests that construction or major renovation funds be used for other child care activities, these funds will still be reported in columns D, E, G, I, K, M, and P.

Line 3. Total Funds Available. Confirm in *all* columns (A through P) the total amount of federal funds available for each columnar category from the GY for which the report is being submitted. For each of the Columns A, B, C, F, H, J, L, N, and O line 3 is equal to line 1 minus line 2. The amounts reported on line 3 should be equal to the funding amounts for Tribal Mandatory funds and Discretionary funds (and Discretionary Disaster Relief funds, if received, Discretionary CARES Act funds, Discretionary CRRSA Act funds, Supplemental Discretionary ARP Act funds, and Stabilization ARP Act funds) contained on the revised Notice of Grant Award(s) issued after the transfer of funds to the separate grant award for construction or major renovation.

Line 4. Expenditures for Direct Services. Enter in Columns A through M federal expenditures made for child care services (also known as direct child care services) from the GY for which the report is being submitted. Child care services may be provided through grants or contracts for child care slots, certificates (or vouchers), or tribally-operated centers.

70% Direct Child Care Services Requirement for Discretionary Funding: Tribal Lead Agencies must expend not less than 70% of the aggregate amount of Discretionary, Discretionary construction or major renovation, and Discretionary Disaster expenditures for direct services, after meeting the quality and infant and toddler quality spending requirements (see Line 7 and Line 8 for more detail) and less the amount spent on administrative activities (see Line 5 for more detail). This requirement applies in GY 2020 and later GY's to Tribal Lead Agencies with medium and large allocations. To comply, the Tribal Lead Agency must reserve:

1. the minimum amount of funding required for quality activities (for GY 2018 and GY 2019, it is 7%; for GY 2020 and GY 2021, it is 8%; for GY 2022 and onward, it is 9%);
2. the minimum amount of funding required for infant/toddler quality activities (3% of expenditures for Tribes with medium and large allocations starting in GY2019); AND
3. the actual amount of Discretionary funding expended for administrative costs (Line 5 Columns B, F, H, and J),

After reserving the amounts above, a Tribal Lead Agency with a medium or large allocation must expend not less than 70% of the remainder of Discretionary expenditures on providing direct child care services. This requirement *does not apply* to:

- Discretionary CARES Act expenditures reported in Columns H and I;

- Discretionary CRRSA Act expenditures reported in Columns J and K;
- Supplemental Discretionary ARP Act expenditures reported in Columns L and M; or
- Stabilization ARP Act expenditures reported in Columns N, O, and P.

Requirements Based on Tribal Allocation Sizes. Some CCDF requirements vary based on the size of the Tribal Lead Agency's CCDF allocation. For the FFY 2020-2022 CCDF Plan cycle, a Tribal Lead Agency's total GY 2016 CCDF allocation amount is used to determine allocation size, as follows:

- Large Allocations—more than \$1 million
- Medium Allocations—\$250,000 to \$1 million
- Small Allocations—less than \$250,000

For GY 2021 Discretionary Award (Tribes with Medium and Large Allocations):

By the end of the liquidation period (9/30/23), Line 4 Columns B, C, E, and F \geq (must be greater than or equal to) 70% of [Line 12 Columns B, E, and F - (8% of Line 12 Columns B, E, and F + 3% of Line 12 Columns B, E, and F + Line 5 Columns B, E, and F)].

For GY 2022 Discretionary Award (Tribes with Medium and Large Allocations):

By the end of the liquidation period (9/30/24), Line 4 Columns B, C, E, and F \geq (must be greater than or equal to) 70% of [Line 12 Columns B, E, and F - (9% of Line 12 Columns B, E, and F + 3% of Line 12 Columns B, E, and F + Line 5 Columns B, E, and F)].

For GY 2023 Discretionary Award (Tribes with Medium and Large Allocations):

By the end of the liquidation period (9/30/25), Line 4 Columns B, C, E, and F \geq (must be greater than or equal to) 70% of [Line 12 Columns B, E, and F - (9% of Line 12 Columns B, E and F + 3% of Line 12 Columns B, E and F + Line 5 Columns B, E, and F)].

Note: In the calculation described above, Column C is included in the first part (involving Line 4), but excluded from the remaining parts (involving Lines 10 and 5). Because Tribal Lead Agencies have flexibility regarding how they spend the base amount of Discretionary funds, Column C is not included in the expenditure total that is used to calculate the minimum direct services spending percent threshold. However, when determining if a Tribal Lead Agency has actually met its threshold at the end of the liquidation period, Tribal Lead Agencies will receive credit for any direct services expenditures made from the base amount. The minimum direct services spending requirement does not apply separately to each individual column.

The following expenditures are *not included* in the quality spending calculation:

- Discretionary Disaster Relief expenditures used for construction or major renovation and reported in Column G;
- Discretionary CARES Act expenditures reported in Columns H and I;
- Discretionary CRRSA Act expenditures reported in Columns J and K;
- Supplemental Discretionary ARP Act expenditures reported in Columns L and M; and
- Stabilization ARP Act expenditure reported in Columns N, O, and P.

Line 5. Expenditures for Child Care Administration. Enter in Columns A through M federal expenditures made for child care administration from the GY for which the report is being submitted. Columns N, O, and P are not reported in this line because administrative expenditures for the Stabilization ARP Act funds will be reported in rows 11(a) through 11(f). This is because they are broader than the administrative expenses being reported in this row. This is discussed in more detail below in the Stabilization ARP Act Set Aside (Administration & Technical Assistance) section.

As listed at 45 CFR 98.54, examples of administrative activities include, but are not limited to:

- planning, developing, and designing the CCDF program;
- providing local officials and the public with information about the program, including the conduct of public hearings;
- preparing the application and Plan;
- developing agreements with administering agencies in order to carry out program activities;
- monitoring program activities for compliance with program requirements;
- preparing reports and other documents related to the program for submission to the U.S. Department of Health and Human Services;
- maintaining substantiated complaint files;
- coordinating the provision of CCDF services with other federal, State, and local child care, early childhood development programs, and before- and after-school care programs;
- coordinating the resolution of audit and monitoring findings;
- evaluating program results; and
- managing or supervising persons with responsibilities for the activities described above.

Administrative costs do **not** include the costs of:

- providing direct services
- establishing and operating a certificate program;
- eligibility determination and redetermination;
- the establishment and maintenance of computerized child care information systems;
- preparation and participation in judicial hearings;

- child care placement;
- recruitment, licensing, inspection, reviews, and supervision of child care placements;
- resource and referral services
- rate setting; and
- training of child care staff.

Not more than 15% of the aggregate amount of Mandatory, Discretionary, Mandatory Construction, Discretionary Construction, Disaster Construction, CARES Act, CRRSA Act, and Supplemental Discretionary ARP Act expenditures from each fiscal year's allotment may be used for administrative activities. At the end of the liquidation period, the sum of Columns A, B, D, E, F, H, J, and L on Line 5 cannot exceed 15 percent of the sum of A, B, D, E, F, H, J, and L on Line 12. The 15 percent limit is calculated on the total of A, B, D, E, F, H, J, and L. The 15 percent limit does not apply separately to each individual column. Columns C, G, I, K, and M are not included in this calculation. The following funds are *not* subject to the administrative cost limitation:

- the base amount of the Discretionary funds;
- the Discretionary Disaster Relief funds used for construction or major renovation;
- the Discretionary CARES Act funds used for construction or major renovation; and
- the Discretionary CRRSA Act funds used for construction or major renovation.

Stabilization ARP Act funds reported in columns N, O, and P are also not included in this calculation because administrative expenditures are reported separately in rows 11(a) through 11(f).

Many federal programs permit Indian Tribes and tribal organizations to apply an indirect cost rate to account for administrative costs that cannot be easily charged to a specific program (e.g., accounting and personnel services). An indirect cost rate is arrived at through negotiation between an Indian Tribe or tribal organization and the appropriate federal agency. Indirect costs, as determined by an indirect cost agreement, are an allowable expense for Tribal Lead Agencies under CCDF and, if expended, should be reported on Line 5. However, regardless of a Tribal Lead Agency's negotiated indirect cost rate, CCDF administrative costs cannot exceed the 15 percent administrative cost limit.

Line 6. Expenditures for Non-Direct Services. Enter in Columns A through M federal expenditures made for child care non-direct services from the GY for which the report is being submitted. Non-direct services are child care services provided that are not direct services to families (which are reported on Line 4) and are not considered administrative costs under 45 CFR 98.54 (which are reported on Line 5). Non-direct service expenditures reported on line 6 are not considered administrative costs and therefore do not count towards the 15 percent administrative cost limit.

Stabilization ARP Act expenditures (columns N, O, and P) will not be reported in this row because those expenditures will be reported in rows 10 and rows 11(a) through 11(f).

Non-direct services are child care services provided that are not direct services to families but that are not considered administrative costs under 45 CFR 98.54. Non-direct services include:

- establishing and operating a certificate program;
- eligibility determination and redetermination;
- the establishment and maintenance of computerized child care information systems;
- preparation and participation in judicial hearings;
- child care placement;
- recruitment, licensing, inspection, reviews, and supervision of child care placements;
- rate setting; and
- training of child care staff.

Non-direct services are not the same as indirect costs. Indirect costs are administrative costs that cannot be easily allocated to a specific program and are reported on Line 5.

Line 7. Expenditures for Quality Activities (excluding infant and toddler quality activities reported on line 8). Enter in Columns A through M the federal expenditures for quality activities from the GY for which the report is being submitted.

Quality activities are designed to improve the quality and availability of child care. Examples of quality activities include, but are not limited to:

- Supporting the training, professional development, and postsecondary education of the child care workforce;
- Developing, implementing, or improving early learning and development guidelines;
- Developing, implementing, or enhancing a tiered quality rating and improvement system (QRIS);
- Improving the supply and quality of child care programs and services for infants and toddlers;
- Supporting child care resource and referral services;
- Facilitating compliance with inspection, monitoring, training, and health and safety requirements;
- Evaluating and assessing the quality and effectiveness of child care programs;
- Supporting child care providers in the voluntary pursuit of accreditation;
- Supporting development and adoption of high-quality program standards; and
- Carrying out other activities to improve the quality of child care services provided.

For additional examples of quality improvement activities, see 45 CFR 98.53. For funds awarded in GY 2018 and GY 2019, a Tribal Lead Agency that receives CCDF funds shall use not less than 7 percent of the amount of such funds (the total of Tribal Mandatory and Discretionary, not including the Discretionary base amount) for quality activities. For funds awarded in GY 2020 and GY 2021, a Tribal Lead Agency that received CCDF shall use not less than 8 percent of the amount of such funds (the total of Tribal Mandatory and Discretionary, but not including the Discretionary base amount, Discretionary Disaster Relief funds used for construction or major renovation, Discretionary CARES Act funds, Discretionary CRRSA Act funds, or Supplemental Discretionary ARP Act funds) for quality activities. For funds awarded in GY 2022 and later GYs, no less than 9 percent must be spent for quality activities. The minimum spending requirement applies to funds expended rather than the total of funds available.

For all Tribal Lead Agencies (regardless of allocation size):

At the end of the liquidation period for funds awarded in GY 2018 and GY 2019, the sum of the amounts in Columns A, B, C, D, E, and F on Line 7 must be at least 7 percent of the sum of Columns A, B, D, E, and F on Line 12.

At the end of the liquidation period for funds awarded in GY 2020 and GY 2021, the sum of the amounts in Columns A, B, C, D, E, and F on Line 7 must be at least 8 percent of the sum of Columns A, B, D, E, and F on Line 12.

At the end of the liquidation period for funds awarded in GY 2022 and each succeeding fiscal year, the sum of the amounts in Columns A, B, C, D, E, and F on Line 7 must be at least 9 percent of the sum of Columns A, B, D, E, and F on Line 12.

Note: In the calculation described above, Column C is included in the first sum mentioned (involving Line 7), but excluded from the second sum (involving Line 12). Because Tribal Lead Agencies have flexibility regarding how they spend the base amount of Discretionary funds, Column C is not included in the expenditure total that is used to calculate the % minimum spending threshold. However, when determining if a Tribal Lead Agency has actually met its threshold at the end of the liquidation period, Tribal Lead Agencies will receive credit for any quality expenditures made from the base amount. The minimum quality spending requirement does not apply separately to each individual column.

The following expenditures are *not included* in the quality spending calculation:

- Discretionary Disaster Relief expenditures used for construction or major renovation and reported in Column G;
- Discretionary CARES Act expenditures reported in Columns H and I;
- Discretionary CRRSA Act expenditures reported in Columns J and K; and

- Supplemental Discretionary ARP Act expenditures reported in Columns L and M.

Line 8. Expenditures for Infant/Toddler Quality Activities. Enter in Columns A through M the federal expenditures for infant/toddler quality activities from the GY for which the report is being submitted.

Infant/Toddler quality activities are designed to improve the quality and availability of child care for infants and toddlers. Examples of infant/toddler quality activities include, but are not limited to:

- Establishing or expanding high-quality community or neighborhood-based family and child development centers;
- Establishing or expanding the operation of community or neighborhood-based family child care networks;
- Promoting and expanding child care providers' ability to provide developmentally appropriate services for infants and toddlers;
- Developing infant and toddler components in the Tribal Lead Agency's quality rating and improvement system (QRIS), licensing regulations, and the early learning and development guidelines; and,
- Providing health and safety training, including training in safe sleep practices, first aid, and cardiopulmonary resuscitation (CPR) for child care providers and caregivers working with infants and toddlers.

The requirement for Tribes with medium and large allocations to spend at least 3 percent of total expenditures on infant/toddler quality activities applies to funds expended rather than total of funds available.

For Tribal Lead Agencies with medium and large CCDF allocations: At the end of the liquidation period for funds awarded in GY 2019 and subsequent GYs, the sum of the amounts in Columns A, B, C, D, E, and F on Line 8 must be at least 3 percent of the sum of Columns A, B, D, E, and F on Line 12.

Note: In the calculation described above, Column C is included in the first sum mentioned (involving Line 8), but excluded from the second sum (involving Line 12). Because Tribal Lead Agencies have flexibility regarding how they spend the base amount of Discretionary funds, Column C is not included in the expenditure total that is used to calculate the minimum spending percent threshold. However, when determining if a Tribal Lead Agency has actually met its threshold at the end of the liquidation period, Tribal Lead Agencies will receive credit for any infant/toddler quality expenditures made from the base amount. The minimum

infant/toddler quality spending requirement does not apply separately to each individual column.

The following expenditures are *not included* in the infant/toddler quality spending calculation:

- Discretionary Disaster Relief expenditures used for construction or major renovation and reported in Column G;
- Discretionary CARES Act expenditures reported in Columns H and I;
- Discretionary CRRSA Act expenditures reported in Columns J and K; and
- Supplemental Discretionary ARP expenditures reported in Columns L and M.

Lines 4 through 8 and 10 through 11: Use of Construction or Major Renovation Award for Activities Other Than Construction and Renovation. If a Tribal Lead Agency requests and receives approval to use construction or major renovation funds for CCDF activities other than construction or major renovation, those funds are not moved back to either the Tribal Mandatory or the Discretionary funds (or Discretionary Disaster Relief funds, Discretionary CARES funds, Discretionary CRRSA Act funds, Supplemental Discretionary ARP Act, or Stabilization ARP Act funds). While the funds remain in the separate grant award for construction or major renovation, the Tribal Lead Agency can use the funds for CCDF activities other than construction or major renovation after requesting and receiving ACF approval.

For Columns D, E, G, I, K, and M a Tribal Lead Agency should **not** enter data on Lines 4 through 8 unless the Tribal Lead Agency has requested and received approval to spend construction or major renovation funds on CCDF activities other than construction or major renovation. For Column P (ARP Stabilization funds), a Tribal Lead Agency should **not** enter data on Lines 10 through 11 unless the Tribal Lead Agency has requested and received approval to spend construction or major renovation funds on CCDF activities other than construction or major renovation. If, however, a request has been made and approved, Lines 4 through 8 for Columns D, E, G, I, and K and Lines 10 through 11 for Column P are left "open" for data entry to provide the Tribal Lead Agencies with the ability to categorically track construction or major renovation funds that have been approved for use on other CCDF activities.

Line 9. Expenditures for Construction or Major Renovation. Enter in Columns D, E, G, I, K, M, and P the federal expenditures for construction or major renovation from the GY for which the report is being submitted. Only Columns D, E, G, I, K, M, and P are completed. No entry is required in Columns A, B, C, F, H, J, L, N, and O.

Note: CCDF funds cannot be spent for construction or major renovation until a Tribal Lead Agency has applied for and received approval from ACF.

Line 10. Stabilization ARP Act Sub-grants to Providers.

In response to the urgent need to stabilize the child care sector, the ARP Act included \$23,975,000,000 billion (\$719,250,000 allocated to Tribes) for child care stabilization grants, representing an important opportunity for States, Territories, and Tribes to stabilize the child care sector and to do so in a way that rebuilds a stronger child care system that supports the developmental and learning needs of children, meets parents' needs and preferences with equal access to high-quality child care, and supports a professionalized workforce that is fairly and appropriately compensated for the essential skilled work that they do.

Tribal Lead Agencies must spend most stabilization funds (at least 80 percent of their stabilization grant allocations, not including the base amount) on subgrants to eligible qualified child care providers as defined in section 2202(d)(2)(B) of the ARP Act. Child care providers may use stabilization subgrants to cover the following expenses:

- Personnel costs;
- Rent, utilities, facilities maintenance, and insurance;
- Personal protective equipment, cleaning, and other health and safety practices;
- Equipment and supplies;
- Goods and services; and,
- Mental health services.

Subgrant funds must be provided prospectively to child care providers. Child care providers may use stabilization subgrants funds to reimburse themselves for expenditures made on allowable expenses prior to enactment of the ARP Act.

By the end of the liquidation period, Line 10 column O \geq (must be greater than or equal to) 80% of Line 1 column O. The 80% requirement does not apply to the base amount reported in column N, though base amount funds may be used for administration and technical assistance expenditures.

Line 11. Stabilization ARP Act Set Aside (Administration and Technical Assistance).

Tribal Lead Agencies may spend up to 20 percent of Stabilization ARP Act funds (not including base amount funds) for the five categories of administrative, activities to build supply, and technical assistance activities described below and found in section 2202(d)(1) of the ARP Act.

Tribal Lead Agencies may spend part or all of this set-aside directly or may fund intermediaries through contracts or grants. If Lead Agencies may also fund intermediaries to help administer subgrants to providers. If Lead Agencies choose to use intermediaries to distribute subgrants to child care providers, the subgrant funds themselves do not count as part of the set-aside;

however, any amounts spent by the intermediary for administration, activities to build supply, or technical assistance (*i.e.*, amounts not passed through to providers) must be included in the overall set-aside by the Lead Agency.

By the end of the liquidation period, Line 11 column O \geq (must be less than or equal to) 20% of Line 1 column J. This 20% cap does not apply to the base amount reported in column N, though base amount funds may be used for administration and technical assistance expenditures.

The following sub-categories for Stabilization Set-Aside are included on the ACF-696T form reporting expenditures under for Line 11:

- *Line 11(a) – Subgrant administration:* Lead Agencies may use the set-aside to assist with administering the stabilization subgrants. They are strongly encouraged to use a portion of their set-aside to cover the cost of staffing and systems necessary to administer and process the subgrants in a timely, transparent, and effective manner to help stabilize the child care sector. These funds represent an unprecedented opportunity that will be difficult to realize without adequate staffing and system supports at the Tribal level.
- *Line 11(b) – Systems:* Lead agencies may use the set-aside to make upgrades to data collection and technology systems needed to administer subgrants and collect data.
- *Line 11(c) – TA Application:* Lead Agencies may use the set-aside to provide technical assistance and support to qualified child care providers applying for stabilization subgrants. Examples of technical assistance include:
 - A staffed helpline or chat function to provide real time assistance for completing applications;
 - Support for collecting documentation showing operating expenses; and,
 - Resources such as frequently asked questions to help with the completion of the applications. Lead Agencies are encouraged to devise technical assistance and support that meets the needs of different types of child care providers so that stabilization subgrants support the sector in ways that will meet parents' needs and preferences. Support options such as helplines and chat, as well as written materials should be available in multiple languages to reflect the population of languages spoken by the Tribe. In addition, Lead Agencies are strongly encouraged to partner with culturally relevant organizations and trusted messengers who can support a diverse range of child care providers in navigating the application process.
- *Line 11(d) – TA – Implementation:* Lead Agencies may use the set-aside to provide technical assistance and support to child care providers receiving subgrants.
- *Line 11(e) – Publicity:* Lead Agencies may use the set-aside to publicize and conduct outreach about the stabilization subgrants and the application process and can fund partners and organizations trusted by child care providers to carry out these activities.

- *Line 11(f) – Activities to Build Supply:* Lead Agencies may use the set-aside to carry out activities to build the supply of child care. Examples of activities to increase the supply of child care include the following:
 - Start-up resources and grants;
 - Administrative costs associated with increasing the use of grants and contracts for child care services;
 - Facilitating a financing program with low- or no-interest loans to programs interested in start-up expansion, or improvement in areas of need;
 - Facility improvement grants;
 - Staffed family child care networks;
 - Technical assistance on business practices;
 - Developing and implementing a strategic plan for building supply;
 - Expanding the use of shared services models;
 - Improvements to Lead Agency data systems that will be used to better meet the demand for child care;
 - Conducting community needs assessments; and,
 - Efforts to increase access to licensing or participation in quality rating and improvement systems.

Stabilization ARP Act set-aside funds used to carry out activities to increase the supply of child care may not be used to fund direct child care services. Rather, these funds are meant to cover the cost of activities related to supporting direct child care services. Lead Agencies are encouraged to use funding provided in section 2201 of the ARP Act, as well as funding in previous COVID-19 packages and regular CCDF funds, to provide child care assistance to more children and families.

It is allowable to use these funds for facility maintenance and improvement of child care facilities. However, as qualified providers receiving subgrants may use subgrants for facility maintenance and improvements, Tribal Lead Agencies should ensure that the funds from the set-aside are not duplicating activities funded through subgrants. Use of the set-aside funds for facility maintenance and improvement are meant to increase the overall supply of child care. A lack of adequate child care facilities can be a major barrier to meeting the needs of working families in some communities. Further, some providers may not be licensed or CCDF-eligible because their facilities do not meet certain requirements, limiting the supply of regulated child care. Funding for facility improvements and minor renovations, such as renovating bathrooms and installing railings and ramps to improve physical accessibility, may be necessary to ensure children are cared for in safe and developmentally appropriate settings.

Construction of new facilities and major renovations, as defined at 45 CFR 98.2, are allowed for Tribal Lead Agencies that have received prior approval from OCC (42 U.S.C. 9858d(b)(1)).

Line 12. Total Federal Expenditures. Enter in *all* columns (A through P) the total amount of federal funds expended from the GY for which the report is being submitted.

For Columns A through M, Line 12 is equal to Line 4 + Line 5 + Line 6 + Line 7 + Line 8 + Line 9.

For Columns N through P, Line 12 is equal to Line 9 + Line 10 + Line 11.

Line 13. Total Federal Unliquidated Obligations. Enter in *all* columns (A through P) the total amount of obligated federal funds that have not been liquidated from the GY being reported. See pages 3 through 7 of the instructions for a description of obligation and liquidation timeframes.

Line 14. Total Federal Unobligated Balance. Enter in *all* columns (A through P) the unobligated balance for the GY for which the report is being submitted. See pages 3 through 7 of the instructions for a description of obligation and liquidation timeframes.

Line 14 is equal to Line 3 minus (Line 12 + Line 13).

Line 3 is equal to Line 12 + Line 13 + Line 14.

- *Line 14(a) : Reporting Unspent Stabilization Funds.* Tribal Lead Agencies are strongly encouraged to obligate their stabilization grant funds quickly to ensure they reach providers in need and protect the existing child care market. The ARP Act requires Tribal Lead Agencies to notify HHS on Line 14(a) (Columns N and O) if they will not be able to obligate at least 50 percent of the funds used for subgrants to providers by December 11, 2021, 9 months after the date of the enactment of the ARP Act.

The Act does not require Tribal Lead Agencies to return funds unobligated at that point, but strongly encourages Tribal Lead Agencies to plan to obligate at least half of funds by this date. OCC will initiate regular communication to check in with and provide technical assistance to Tribal Lead Agencies to facilitate obligating and spending the stabilization grants in keeping with the Congressional intent that these resources provide immediate fiscal relief to the child care sector.

Tribal Lead Agencies that anticipate challenges in obligating half of their stabilization grant funds by December 11, 2021, are encouraged to notify their OCC Regional Office as soon as possible. OCC will issue guidance on how Tribal Lead Agencies can report this information at a later date.

REALLOTTED FUNDS

Any portion of a Tribal Lead Agency's allotment of Discretionary funds that is not required to carry out its plan, in the period for which the allotment is made available, may be reallocated to other Tribal Lead Agencies in proportion to their original allotments. By April 1 of each year, Tribal Lead Agencies are required to report in a letter to ACF the dollar amount from the previous year's grant that it will be unable to obligate by the end of the obligation period (September 30). In addition, Tribal Lead Agencies must ensure that all unobligated funds remain in its PMS account for de-obligation.

Based on these reallocation reports, ACF will issue a negative Discretionary grant award to the Tribal Lead Agency based on the amount submitted in the letter and those Discretionary funds will be reallocated. If the total amount available for reallocation from all Tribal Lead Agencies is \$25,000 or more, funds will be reallocated to other Tribal Lead Agencies. If the total available is less than \$25,000, no reallocation will take place, and funds will revert to the federal government. If an individual reallocation amount to a Tribal Lead Agency is less than \$500, the reallocation award will not be issued to that Tribal Lead Agency. If a Tribal Lead Agency does not submit a reallocation report by the April 1 deadline, a determination will be made that the Tribal Lead Agency does not have funds available for reallocation. In the case of a report received after April 1, any funds reported to be available for reallocation shall revert to the federal government.

In accordance with 45 CFR 98.64, unused Discretionary funds identified by the April 1 deadline will be reallocated to other Tribal Lead Agencies in proportion to their original allotments. To be eligible to receive reallocated funds, Tribal Lead Agency must indicate their interest on their ACF-696T annual report due December 29, 2021.

On the space provided on the form (Line 15), check whether or not the Tribal Lead Agency would like to receive its proportional share of reallocated Discretionary funds that may become available in the second FFY of a given grant period. **Please Note:** If the ACF-696T reports are not received within 90 days after the end of the FFY (December 29), the Tribal Lead Agency **will not** be eligible for reallocated Discretionary funds. **This portion of the form is simply a vehicle for Tribal Lead Agencies to request reallocated funds if they become available. This form is not used to report funds that the Tribal Lead Agency will be unable to obligate; these amounts must be reported in a letter prior to April 1, as described above.**

SIGNATURES

This report must be signed by an official representing the Tribal Lead Agency and dated in the space provided, including the title, agency, and phone number of the individual whose signature is shown. The individual who signs this report is certifying that the information provided on all parts of this form and all accompanying documents is accurate and correct.

PAPERWORK REDUCTION ACT OF 1995

Per the Paperwork Reduction Act of 1995, 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. The OMB control number for this data collection is NO. 0970-0510 Public reporting for this collection of information is estimated to average 7 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.