

# Instructions for Completion of Form ACF-696 Financial Reporting Form for the Child Care and Development Fund (CCDF) State & Territory Lead Agencies

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## OVERVIEW

Pursuant to CCDF regulations at 45 CFR 98.65(g), and as part of the terms and conditions of the grant award, States and Territories are required to complete and submit a quarterly financial status report (ACF-696) in accordance with these instructions on behalf of the CCDF Lead Agency. Note that the term “Lead Agency” as used in this document includes States and Territories except when specifically referring to Matching funds. Territories do not receive Matching funds.

The ACF-696 form and instructions can be found on the Office of Child Care (OCC) website at: <http://www.acf.hhs.gov/programs/occ/report/index.htm>.

## 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 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 Lead Agencies may spend funds awarded in the current and prior years.
- Re-distributed Matching funds are unused prior GY State Matching funds re-awarded into the current GY.
- Reallotted Discretionary funds are unused current GY Discretionary funds re-awarded into the same current GY to other grantees.

## SUBMISSION AND DUE DATES

This form must be submitted quarterly (reports are due 30 days after the end of the quarter) by October 31 (Quarter 1), April 30 (Quarter 2), July 31 (Quarter 3), January 31 (Quarter 4).

**States must submit quarterly reports for each federal fiscal year until all funds are expended or when the liquidation period expires.** Since CCDF funds are awarded each federal fiscal year,

a Lead Agency might submit multiple separate quarterly ACF-696 forms for multiple overlapping grant award years simultaneously.

Lead Agencies are required to submit their ACF-696 reporting forms electronically via the ACF On-Line Data Collection (OLDC) system. OLDC is 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>.

## OBLIGATION AND LIQUIDATION PERIODS

Lead Agencies must follow the applicable obligation and liquidation periods when expending and accounting for CCDF grant funds (see CCDF regulations at 45 CFR 98.60(d)). The table below indicates obligation and liquidation requirements for each of the CCDF funding streams.

*Table 1: Obligation and Liquidation Periods*

	<b>Must be Obligated by:</b>	<b>Must be Liquidated by:</b>
Mandatory	End of 1st federal fiscal year (for States requesting Matching Funds)	States: No requirement to liquidate by a specific date <sup>1</sup> Territories: End of 2 <sup>nd</sup> fiscal year
Matching <sup>2</sup>	End of 1st federal fiscal year	End of 2nd federal fiscal year
Discretionary	End of 2nd federal fiscal year	End of 3rd federal fiscal year
MOE	End of 1 <sup>st</sup> federal fiscal year (for States requesting Matching Funds)	End of 1 <sup>st</sup> federal fiscal year (for States requesting Matching Funds)
<b>Supplemental Funding:</b>		
Discretionary Disaster Relief Act of 2019	End of 2nd federal fiscal year	End of 3rd federal fiscal year
Discretionary CARES Act Funds	FFY2022 (9/30/22)	FFY2023 (9/30/23)
Discretionary CRRSA Act Funds	FFY2022 (9/30/22)	FFY2023 (9/20/23)
Supplemental Discretionary ARP Act Funds	FFY2023 (9/30/23)	FFY2024 (9/30/24)
Stabilization ARP Act Funds	FFY2022 (9/30/22)	FFY2023 (9/20/23)
Child Care Disaster Relief Funds to address the impacts of Hurricanes Fiona and Ian, including construction (2023 Consolidated Appropriations Act, Pub. L. No. 117-328)	End of 4th federal fiscal year	End of 5th federal fiscal year

*Table 2: Example of Obligation and Liquidation Periods if the source of funds is GY2021 except where noted:*

<b>Funding source: GY2021</b>	<b>Must be Obligated by:</b>	<b>Must be Liquidated by:</b>
Mandatory	FFY2021 (9/30/21) (for States requesting Matching Funds)	States: No requirement to liquidate by a specific date

<sup>1</sup> While there is no liquidation requirement for Mandatory funds, in accordance with federal law, grant funds must be drawn down from the Payment Management System (PMS) within 5 years from the year in which the funds were awarded. 31 USC 1551-1558

<sup>2</sup> States are not required to match the additional funds awarded in section 9801 of the ARP Act in GY 2021 or GY 2022. Territories do not receive Matching funds.

		Territories: FFY2022 (9/30/22)
Matching	FFY2021 (9/30/21)	FFY2022 (9/30/22)
Discretionary	FFY2022 (9/30/22)	FFY2023 (9/30/23)
MOE	FFY2021 (9/30/21) (for States requesting Matching Funds)	FFY2021 (9/30/21) (for States requesting Matching Funds)
<b>Supplemental Funding:</b>		
Discretionary Disaster Relief Act of 2019	FFY2022 (9/30/22)	FFY2023 (9/30/23)
Child Care Disaster Relief Funds to address the impacts of Hurricanes Fiona and Ian, including construction (2023 Consolidated Appropriations Act, Pub. L. No. 117-328) (Funding Source: GY 2023)	FFY2026 (9/30/2026)	FFY2027 (9/30/2027)
Discretionary CARES Act Funds (Funding Source: GY2020)	FFY2022 (9/30/22)	FFY2023 (9/30/23)
Discretionary CRRSA Act Funds	FFY2022 (9/30/22)	FFY2023 (9/20/23)
Supplemental Discretionary ARP Act Funds	FFY2023 (9/30/23)	FFY2024 (9/30/24)
Stabilization ARP Act Funds	FFY2022 (9/30/22)	FFY2023 (9/20/23)

## GENERAL INSTRUCTIONS

- Check box at top of form to indicate whether submission is Final (Yes or No). *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 “CHG-ADV” (drawn) funds.
- Confirm the following OLDC auto-populated information (if incorrect, please notify your Grants Management Specialist):
  - State or Territory.
  - Grant Year (GY means, the federal fiscal year funds were awarded) for which this report is being submitted. Since multiple GYs might be active at the same time, quarterly reporting must accurately distinguish between each GY’s overlapping expenditures, obligation periods, and liquidation periods.
  - Grant Document Number (GDN). *Note:* “CCDF” refers specifically to the Mandatory funding stream as well as generally to the ACF-696 report, which describes expenditure from all CCDF funding streams (e.g., CCDF, CCDD, CCDM, etc.). Therefore, the GDN shown at the top of the report form should be \*\*\*\*\*CCDF.
  - Current Quarter Ended. Reports must be cumulative obligations and expenditures through the end of the reporting quarter.
  - Next Quarter Beginning. The next quarter beginning after submission of this report is the quarter for which estimates are provided on line 10. For example, if the report quarter ends on September 30, then the beginning date of the next quarter beginning after submission of this report will be January 1.
  - Federal Medical Assistance Percentage (FMAP) Rate. FMAP amounts can be found on the CCDF allocation tables at:

<https://www.acf.hhs.gov/occ/resource/ccdf-state-and-territory-funding-allocations>

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

## COLUMNS – CCDF FUNDING STREAMS

The CCDF program has a number of fiscal requirements associated with multiple funding streams that comprise the block grant. The ACF-696 form has separate columns for reporting of expenditures from each of these component funding streams. All amounts reported in columns (A), (B), (C), (D), (E), (F), (G), (H), (I), and (J) must be actual obligations or expenditures made under the State's plan and in accordance with all applicable statutes and regulations and be cumulative through the grant period.

- **Column (A): Mandatory Funds.** Appropriated under section 418(a)(3) of the Social Security Act (SSA), 42 USC 618(a)(3). Mandatory funds are 100% federal funds and are available to Lead Agencies until expended.

For the first time, section 9801 of the ARP Act appropriated CCDF Mandatory funds to Territories, including Puerto Rico<sup>3</sup>, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands. Territory Mandatory funds are not subject to any matching requirements. Territory Mandatory funds must be obligated in the fiscal year that they are awarded. Unlike States, Territories must liquidate their Mandatory funds in the fiscal year following the year in which they were awarded. Territories must report Mandatory funds in this column, separately from Discretionary funds reported in column C.

- **Column (B): Matching Funds.** The federal share of the Matching fund is the remaining amount appropriated under section 418(a)(3) of the SSA after Mandatory funds are allotted.<sup>4</sup> In order to receive the full allotment of Matching funds for a fiscal year, a

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<sup>3</sup> Puerto Rico is included as a Territory for Mandatory funds formula, but is included in the State formula for Discretionary funds.

<sup>4</sup> As stated above, the Federal Medical Assistance Percentage (FMAP) Rate used by the State should be entered at the top of the column. FMAP tables can be found at the following website:

State must: (1) expend its Maintenance of Effort (MOE) requirement by the end of the first year of the grant period; and (2) obligate all Mandatory funds by the end of the first year of the grant period. State expenditures in excess of the MOE requirement are matched at the Federal Medical Assistance Percentage (FMAP) Rate. The State share of Matching expenditures must be for allowable services or activities as described in the approved State Plan as appropriate, that meet the goals and purposes of the Child Care and Development Block Grant Act of 1990 (CCDBG Act). The same expenditure may not be counted as both State Match and State MOE. Section 9081 of the ARP Act increased 2021 federal CCDF State Matching funds by \$512,250,000. These increased funds are 100% federal for GY 2021 and GY 2022, so States are not required to match the additional funds in GY 2021 or GY 2022. These new funds should be reported with regular CCDF Matching funds. Territories do not receive Matching funds.

- **Column (C): Discretionary Funds.** Authorized by the CCDBG Act, 42 USC 9858 *et seq.* Discretionary funds are 100% federal funds.

Lead Agencies may transfer up to 30% of their TANF grants to CCDF and these funds then take on the characteristics of Discretionary CCDF funds. Lead Agencies wishing to transfer funds back to the TANF block grant must do so within the two-year obligation period for CCDF Discretionary funds (see obligation/liquidation table below).<sup>5</sup>

- **Column (D): Maintenance-of-Effort (MOE).** Section 418(a)(2)(C) of the Social Security Act, 42 USC 618(a)(2)(C) requires States to spend a specified amount of non-federal funds on child care in order to claim federal match from the Matching Fund. State MOE must be expended on allowable services or activities as described in the approved State Plan as appropriate, that meets the goals and purposes of the CCDBG Act. The same expenditure may not be counted as both State Match and State MOE.
- **Column (E): Disaster Relief Funds.** Amounts reported in this column relate to disaster relief funds, as applicable by Grant Year:
  - GY2020 and GY2021: The Discretionary Disaster Relief Act of 2019 (Public Law 116-20) made disaster relief funds available to State and Territory CCDF 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. These are also 100% federal funds.

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<https://www.acf.hhs.gov/occ/resource/ccdf-state-and-territory-funding-allocations>.

<sup>5</sup> Additional TANF guidance can be found at: <http://www.acf.hhs.gov/programs/ofa/policy/pi-ofa/2002/pi2002-2.htm>

- o GY2023 and GY2024: The **2023 Consolidated Appropriations Act (Pub. L. No. 117-328) made disaster relief funds available to State and Territory Lead Agencies (as well as Tribal Lead Agencies) to address the impacts of Hurricanes Fiona and Ian.** Construction and major renovation expenditures for these funds will be reported in this same column.

**Column (F): Discretionary Disaster Relief Act of 2019 Funds—Construction and Major Renovation.** CCDF Lead Agencies that are awarded CCDF 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 document number, which will be reported in column (F). Lead Agencies must request and receive an ACF construction transfer grant award prior to September 30, 2021. If some or all funds transferred to the separate grant award are ultimately not needed for construction or major renovation, the Lead Agency may request permission from ACF to use such funds for other allowable CCDF purposes (i.e., purposes other than construction and major renovation). Expenditures in column (F) that are used for construction and major renovation will be reported on line 1(f) (Construction and Major Renovation). However, other lines in column (F) remain open for data entry in the event that the Lead Agency requests and receives approval to use the funds for allowable CCDF purposes other than construction and major renovation.

- **Column (G): Discretionary Coronavirus Aid, Relief, and Economics Security (CARES) Act Funds<sup>6</sup>.** Additional CCDF Discretionary Funds were appropriated in the Coronavirus Aid, Relief, and Economics Security (CARES) Act (Public Law 116-136), which was passed into law on March 27, 2020. These are also 100% federal funds. The CARES Act included a \$3.5 billion increase in CCDF Discretionary funding. This funding is in addition to the GY 2020 appropriations levels and is meant to supplement, not supplant, State, Territory, and 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. CCDF Lead Agencies do not need to apply for the funds since they were awarded on a formula basis as detailed in the CCDBG Act. CARES Act funds are subject to all CCDF Discretionary requirements, except as noted.

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<sup>6</sup> Please refer to OCC Guidance for additional information: <https://www.acf.hhs.gov/occ/policy-guidance/ccdf-discretionary-funds-appropriated-cares-act-public-law-116-136-passed-law>

- **Column (H): Discretionary Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act Funds<sup>7</sup>.** Additional CCDF Discretionary funds were appropriated in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (via the Consolidated Appropriations Act of 2021, H.R. 133-402; P.L. 116-260), which was passed into law on December 27, 2020. These are also 100% federal funds. This Act included a \$10 billion increase in CCDF Discretionary funding. This funding is in addition to the GY 2021 appropriations levels and is meant to supplement, not supplant, State, Territory, and 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. CCDF Lead Agencies do not need to apply for the funds, and have been awarded the funds automatically on a formula basis as detailed in the CCDBG Act. These funds are subject to all CCDF Discretionary requirements, except as noted.
- **Column (I): Supplemental Discretionary American Rescue Plan (ARP) Act CCDF Funds<sup>8</sup>.** Additional CCDF Discretionary 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 Supplemental CCDF Discretionary funding. This funding is in addition to the GY 2021 appropriations level and is meant to supplement, not supplant other federal, 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” or “local” funds as the non-supplantation requirement does for ARP Act funding. Unlike CARES Act and CRRSA Act funds, supplemental CCDF Discretionary funding made available through the ARP Act are not restricted to activities responding to the COVID-19 public health emergency. CCDF Lead Agencies do not need to apply for the funds, which have been awarded automatically on a formula basis as detailed in the CCDBG Act. These funds are subject to all CCDF Discretionary requirements, except as noted in the ARP Act.
- **Column (J): Stabilization ARP Act Funds<sup>9</sup>.** Section 2202 of the ARP Act of 2021 (P.L. 117-2) which was signed into law on March 11, 2021, provides resources to States,

<sup>7</sup> Please refer to OCC Guidance for additional information:

<https://www.acf.hhs.gov/sites/default/files/documents/occ/CCDF-ACF-IM-2021-01.pdf>

<sup>8</sup> Please refer to OCC Guidance for additional information: <https://www.acf.hhs.gov/occ/policy-guidance/ccdf-acf-im-2021-03>

<sup>9</sup> Please refer to OCC Guidance for additional information: <https://www.acf.hhs.gov/occ/policy-guidance/ccdf-acf-im-2021-02>

Territories, and Tribes to provide \$23,975,000,000 for stabilization grants to eligible child care providers. These are also 100% federal funds. Stabilization grant funding is in addition to the GY 2021 CCDF appropriations levels and is meant to supplement, not supplant, other federal, 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” or “local” funds as the non-supplantation requirement does for ARP Act funding. As further described below, the stabilization grant funds were awarded to CCDF Lead Agencies on April 15, 2021, as defined in the CCDBG Act, using the formula used to award CCDF Discretionary funding. Lead Agencies did not have to apply for these funds.

## **DISCRETIONARY DISASTER RELIEF ACT OF 2019 FUNDS NARRATIVE REPORT**

The 4th quarter submission of the financial report should include an attached narrative description of the services and activities funded with CCDF Discretionary Disaster Relief Act of 2019 funds. The narrative should describe all services and activities funded with CCDF Discretionary Disaster Relief funds that were spent in the federal fiscal year by the State, regardless of the Grant Year in which those funds were awarded. Specifically, the narrative report should provide an explanation for the amounts reported on columns (E) and (F). 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 4th quarter submission of the financial report should include an attached narrative description of the services and activities funded with CCDF Discretionary CARES Act funds. The narrative should describe all services and activities funded with CCDF Discretionary CARES Act funds that were spent in the federal fiscal year by the State. Specifically, the narrative report should provide an explanation for the amounts reported in column (G) 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 4th quarter submission of the financial report should include an attached narrative description of the services and activities funded with CCDF Discretionary CRRSA Act funds. The narrative should describe all services and activities funded with CCDF Discretionary CRRSA Act funds that were spent in the federal fiscal year by the State. Specifically, the narrative report should provide an explanation for the amounts reported in column (H) 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 4th quarter 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 federal fiscal year by the State. Specifically, the narrative report should provide an explanation for the amounts reported in column (I) and should include but is not limited to how funding was used for allowable activities. 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 TOTALS FOR GRANT PERIOD**

All amounts reported must reflect expenditures of CCDF funds made in accordance with the approved State Plan and applicable statutes and regulations. Amounts should be reported on a cumulative basis.

## Line 1 – Total Expenditures

OLDC auto-calculates line 1 totals. For each column (A through I), Line 1 is equal to the sum of rows 1(a) through 1(f).<sup>10</sup> For column (J), Line 1 is equal to the sum of row 3 and rows 4(a) through 4(f).<sup>11</sup>

Table 3: Explanation of Column Entries for Line 1

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEFFUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
1. TOTAL	OLDC auto-populates the cumulative expenditures of Mandatory funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	OLDC auto-populates the cumulative total of both Federal and State Matching expenditures made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	OLDC auto-populates the cumulative expenditures of Discretionary funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	OLDC auto-populates the cumulative State Maintenance of Effort (MOE) expenditures from October 1 of the GY for which the report is being submitted through the quarter being reported.*	OLDC auto-populates the cumulative expenditures of Discretionary Disaster Relief funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	OLDC auto-populates the cumulative expenditures of Discretionary Disaster Relief —Construction and Major Renovation funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	OLDC auto-populates the cumulative expenditures of Discretionary CARES Act funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	OLDC auto-populates the cumulative expenditures of Discretionary CRRSA Act funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	OLDC auto-populates the cumulative expenditures of Supplemental Discretionary ARP Act funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	OLDC auto-populates the cumulative expenditures of Stabilization ARP Act funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.

<sup>10</sup> 1(a) + 1(b) + 1(c) + 1(d) + 1(e)(1) + 1(e)(2) + 1(e)(3) + 1(f)

<sup>11</sup> 3 + 4(a) + 4(b) + 4(c) + 4(d) + 4(e) + 4(f)

## Line 1(a) - Child Care Administration

Not more than 5% of the aggregate amount of Discretionary, Mandatory, and federal and State shares of Matching fund expenditures from each fiscal year's allotment may be used for administrative activities. Therefore, at the end of the liquidation period no more than 5% of Line 1 can be claimed for child care administration at Line 1(a).

Expenditures reported in column (G) related to the CARES Act funds, column (H) related to CRRSA Act funds, and column (I) related to Supplemental Discretionary ARP Act funds are subject to this requirement. Expenditures reported in columns (D) and (F) are not subject to the 5% limitation and are not included in the calculation. For column (E), only Disaster Relief Act of 2019 funds awarded in GY2020 or GY2021 are subject to the 5% limitation; Disaster Relief Funds to address the impacts of Hurricanes Fiona and Ian that were awarded in GY2023 are not subject to the 5% limitation.

Administrative expenditures for the Stabilization ARP Act Funds reported in column (J) will be reported in a rows 4(a) through 4(f) because they are broader than the administrative expenses being reported on line1(a). This is discussed in more detail below in the Stabilization ARP Act Set Aside (Administration & TA) section.

**By the end of the liquidation period, Line 1(a) columns A + B + C + E + G + H + I ≤ (must be less than or equal to) 5% of Line 1 columns A + B + C + E + G + H + I (where the amount from Col. E is limited to only Disaster Relief Act of 2019 expenditures of funds awarded in GY2020 or GY2021).**

Table 4: Explanation of Column Entries for Line 1(a)

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
1(a). CHILD CARE ADMIN.	Enter the cumulative expenditures of Mandatory funds for child care administration from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of both Federal and State Matching expenditures for child care administration made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary funds for child care administration from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of State MOE expenditures for child care administration from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary Disaster Relief funds for child care administration from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary Disaster Relief Construction and Major Renovation funds for child care administration from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary CARES Act funds for child care administration from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary CRRSA Act funds for child care administration from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Supplemental Discretionary ARP Act funds for child care administration from October 1 of the GY for which the report is being submitted through the current quarter being reported.	

Examples of child care administrative activities: [45 CFR 98.52; 63 FR 39962]

- Salaries of staff performing administrative functions;
- Planning, developing and designing the program;
- Providing local officials and public with information, including public hearings;
- Application and plan preparation;
- Developing agreements with administering agencies;
- Monitoring program activities for compliance;
- Preparing reports;
- Maintaining complaints;
- Coordination activities with other child care, early childhood development, and before- and after-school care programs;
- Coordinating the resolution of audit and monitoring findings;
- Program results evaluation;
- Managing or supervising persons with the above responsibilities;
- Travel costs incurred for official business in carrying out the program;
- Accounting Services;
- Audit Services;
- Rental or purchase of equipment, utilities, and office supplies, etc. for administrative staff and/or functions; and
- Indirect costs.

Administrative activities **do not** include:

- Eligibility determination and re-determination;
- Preparation and participation in judicial hearings;
- Child care placement;
- Recruitment, licensing, and supervision of child care placements;
- Rate setting;
- Resource and referral services;
- Training of child care staff; and
- Establishment and maintenance of child care information systems.

## **Line 1(b) – Quality Activities Excluding Infant/Toddler Quality Activities**

*GY2018 and GY2019:* At least 8% of the aggregate amount of Discretionary, Mandatory, and the federal and State shares of Matching fund expenditures from each fiscal year's allotment must be used for quality activities. Therefore, at the end of the liquidation period, no less than 8% of Line 1 (columns A + B + C + E) must be claimed for this activity.

**By the end of the liquidation period, Line 1(b) columns A + B + C + E  $\geq$  (must be greater than or equal to) 8% of Line 1 columns A + B + C + E.**

*GY2020 through GY2022:* At least 9% of the aggregate amount of Discretionary, Mandatory, and the federal and State shares of Matching fund expenditures from each fiscal year's allotment must be used for quality activities. Expenditures reported in columns (G) are not subject to this requirement and are not included in the calculation. Therefore, at the end of the liquidation period, no less than 9% of Line 1 (columns A + B + C + E) must be claimed for this activity.

**By the end of the liquidation period, Line 1(b) columns A + B + C + E  $\geq$  (must be greater than or equal to) 9% of Line 1 columns A + B + C + E.**

*GY2023 and subsequent years:* At least 9% of the aggregate amount of Discretionary, Mandatory, and the federal and State shares of Matching fund expenditures from each fiscal year's allotment must be used for quality activities by the of the liquidation period.

**By the end of the liquidation period, Line 1(b) columns A + B + C  $\geq$  (must be greater than or equal to) 9% of Line 1 columns A + B + C.**

Quality expenditures reported in the MOE column (D) **will not** be counted towards the minimum expenditure amount required to be spent on quality activities. The CCDF Lead Agency must describe in its State Plan the quality activities it will fund under this expenditure category.

Once a State has met the requirement to spend at least 3% of its aggregate award on infant/toddler quality activities (Line 1(c)), the State may assign additional expenditures on infant and toddler quality activities toward the quality activities reported on Line 1(b).

Discretionary Disaster Relief expenditures used for construction or major renovation and reported in column (F), Discretionary CARES Act expenditures reported in column (G) Discretionary CRRSA Act expenditures reported in column (H), and Supplemental Discretionary ARP Act expenditures reported in column (I) are **excluded** from the calculation of the minimum quality spending amount.

For column (E), only Disaster Relief Act of 2019 funds awarded in GY2020 or GY2021 are subject to the quality expenditure requirement; Disaster Relief Funds to address the impacts of Hurricanes Fiona and Ian that were awarded in GY2023 are not subject to the quality expenditure requirement.

Table 5: Explanation of Column Entries for Line 1(b)

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
1(b). QUALITY ACTIVITIES EXCLUDING INFANT/ TODDLER QUALITY ACTIVITIES REPORTED ON LINE 1(c)	Enter the cumulative expenditures of Mandatory funds for child care quality activities from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of both Federal and State Matching expenditures for child care quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary funds for child care quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of State MOE expenditures for child care quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of Discretionary Disaster Relief expenditures for child care quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of Discretionary Disaster Relief Construction and Major Renovation expenditures for child care quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of Discretionary CARES Act expenditures for child care quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of Discretionary CRRSA Act expenditures for child care quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of Supplemental Discretionary ARP Act expenditures for child care quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	

Examples of quality activities include: [Section 658G(b) of the CCDBG Act]

- Supporting the training and professional development of the child care workforce;
- Improving on the development or implementation of early learning and development guidelines;
- Developing, implementing, or enhancing a tiered quality rating system for child care providers and services;
- Improving the supply and quality of child care programs and services for infants and toddlers;
- Establishing or expanding a Statewide system of child care resource and referral services;
- Supporting compliance with State requirements for licensing, inspection, monitoring, training, and health and safety;
- Evaluating the quality of child care programs in the State, including evaluating how programs positively impact children;
- Supporting child care providers in the voluntary pursuit of accreditation;
- Supporting the development or adoption of high-quality program standards related to health, mental health, nutrition, physical activity, and physical development; and
- Other activities to improve the quality of child care services as long as outcome measurement relating to improved provider preparedness, child safety, child well-being, or entry to kindergarten is possible.

Additional examples of quality activities specifically allowed by the CARES Act, CRRSA Act, and Supplemental Discretionary ARP Act to address COVID-19 include:

- Providing funds for the purposes of cleaning and sanitation (including cleaning supplies or deep cleaning services), other supplies, equipment (such as personal protective equipment or PPE), virtual professional development opportunities, staffing, and other activities necessary to maintain or resume the operation of programs.
- Providing temporary grants to impacted providers to retain the child care supply during periods of closures.
- Providing grants to child care providers for emergency child care services. Lead Agencies may target quality improvement or supply-building grants (e.g., for start-up costs, equipment, supplies) specifically to child care providers who are serving health care sector employees, emergency responders, sanitation workers, and other essential workers. Lead Agencies can use quality dollars for any provider, regardless of whether they are eligible to serve, or currently serving, children receiving CCDF subsidies.



## Line 1(c) - Infant/Toddler Quality Activities

At least 3% of the aggregate amount of Discretionary, Mandatory, and the federal and State shares of Matching fund expenditures from each fiscal year's allotment must be used for activities to improve the quality of care for infants and toddlers. Therefore, at the end of the liquidation period, no less than 3% of Line 1 (columns A + B + C + E) must be claimed for this activity (where the amount from Column E is limited to only Disaster Relief Act of 2019 non-construction expenditures for funds awarded in GY2020 or GY2021).

Infant/Toddler quality activity expenditures reported in the MOE column (D) **will not** be counted towards the minimum expenditure amount required to be spent on infant/toddler activities. The CCDF Lead Agency must describe in its State Plan the infant/toddler activities it will fund under this expenditure category.

Infant/Toddler expenditures reported do not count toward the minimum quality expenditure requirement included in Line 1(b). These are considered a separate expenditure requirement.

Discretionary Disaster Relief expenditures used for construction or major renovation and reported in column (F), Discretionary CARES Act expenditures reported in column (G), Discretionary CRRSA Act expenditures reported in column (H), and Supplemental Discretionary ARP Act expenditures in column (I) are **excluded** from the calculation of the minimum infant/toddler quality spending requirement.

For column (E), only Disaster Relief Act of 2019 funds awarded in GY2020 or GY2021 are subject to the infant and toddler quality spending requirement; Disaster Relief Funds to address the impacts of Hurricanes Fiona and Ian that were awarded in GY2023 are not subject to the infant and toddler quality spending requirement.

**By the end of the liquidation period, Line 1(c) columns A + B + C + E  $\geq$  (must be greater than or equal to) 3% of Line 1 columns A + B + C + E** (where the amount from Column E is limited to only Disaster Relief Act of 2019 non-construction expenditures for funds awarded in GY2020 or GY2021).

Table 6: Explanation of Column Entries for Line 1(c)

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
1(c). INFANT/ TODDLER QUALITY ACTIVITIES	Enter the cumulative expenditures of Mandatory funds for infant/toddler quality activities from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of both Federal and State Matching expenditures for infant/toddler quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary funds for infant/toddler quality activities from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of State MOE expenditures for infant/toddler quality activities made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary Disaster Relief funds for infant/toddler quality activities from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary Disaster Relief Construction and Major Renovation funds for infant/toddler quality activities from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary CARES Act funds for infant/toddler quality activities from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary CRRSA Act funds for infant/toddler quality activities from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Supplemental Discretionary ARP Act funds for infant/toddler quality activities from October 1 of the GY for which the report is being submitted through the current quarter being reported.	

Examples of infant/toddler quality activities: [Section 658G (b)]

- Establishing or expanding high-quality community or neighborhood-based family and child development centers, which may be a resource to child care providers to improve the quality of services available for infants and toddlers from low-income families and help providers improve their capacity to offer high-quality, age-appropriate care to infants and toddlers from low-income families;
- 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 State's quality rating and improvement system (QRIS), licensing regulations, and the early learning and development guidelines; Improving the ability for parents to access transparent and easy to understand consumer information about high-quality infant and toddler care; 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.

## Line 1(d) – Direct Services

The direct services category consists **solely** of expenditures for child care subsidies to eligible children. Child care subsidies may be provided through certificates (or vouchers) or through grants or contracts to providers.

The costs of eligibility determination and re-determination are considered a non-direct service activity and should be reported at Line 1(e).

If the CCDF Lead Agency sub-contracts the operation of the child care program to another entity (whether a State or non-State entity) the Lead Agency continues to be responsible for reporting only the portion of the sub-contract or sub-award which was expended on child care subsidies in this category. Some Territorial Lead Agencies may run their own child care centers serving CCDF-eligible children and these expenditures (less any administrative, non-direct service, or quality activities costs) would also be considered direct services.

The CARES Act, CRRSA Act, and Supplemental Discretionary ARP Act funds can be used for direct services, including:

- Continuing subsidy payments to child care providers in the case of decreased enrollment or closures related to COVID-19, and to assure that providers are able to remain open or to reopen.

- Paying subsidies for a child that is (1) unable to attend child care because of closure or health and safety concerns and/or (2) attending child care, including with an emergency provider.
- Paying subsidies to two different providers for the same child for the same time of service. Note: Only CARES Act and CRRSA Act funding can be used for this purpose. Lead Agencies are restricted from using regular CCDF funds or ARP Supplemental CCDF Discretionary funds to pay two providers for the same child for the same time of service. However, CARES Act and CRRSA Act funds are not restricted in the same way and there is no bar on using these funds to paying for both a child's regular provider that is closed and a temporary or emergency replacement provider.
- Using CARES Act, CRRSA Act, and Supplemental Discretionary ARP Act funds to provide child care subsidies to health care sector employees, emergency responders, sanitation workers, and other workers deemed essential by public officials during the response to COVID-19, *without regard to income eligibility requirements.*

Table 7: Explanation of Column Entries for Line 1(d)

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
1(d). DIRECT SERVICES	Enter the cumulative expenditures from the Mandatory fund on direct services, from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of both Federal and State Matching expenditures on direct services from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from the Discretionary fund on direct services from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of State MOE expenditures on direct services made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from the Discretionary Disaster Relief funds on direct services from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from the Discretionary Disaster Relief Construction and Major Renovation funds on direct services from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from the Discretionary CARES Act funds on direct services from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from the Discretionary CRRSA Act funds on direct services from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from the Supplemental Discretionary ARP Act funds on direct services from October 1 of the GY for which the report is being submitted through the current quarter being reported.	

**70% Requirement for Mandatory and Matching Funding:** States must expend not less than 70% of the aggregate amount of Mandatory and the federal and State share of Matching fund expenditures for direct services to meet the child care needs of TANF families, families transitioning off of TANF, or families at risk of becoming TANF recipients.

Now that Territories are receiving Mandatory funds, they must expend not less than 70% of these funds for direct services to meet the child care needs of TANF families, families transitioning off of TANF, or families at risk of becoming TANF recipients.

**By the end of the liquidation period, Line 1(d) columns A + B  $\geq$  (must be greater than or equal to) 70% of Line 1 columns A + B.**

**70% Direct Services Requirement for Discretionary Funding:** First, the State must reserve:

1. the minimum amount of funding required for quality activities (for GY2016 and GY2017, it is 7% of expenditures; for GY2018 and GY2019, it is 8%; for GY2020 and onward, it is 9%);
2. the minimum amount of funding required for infant/toddler quality activities (3% of expenditures starting in GY2017); AND
3. the actual amount of Discretionary funding (including Discretionary Disaster Relief Act of 2019 funds) expended for administrative costs (Line 1(a) columns C and E).

After reserving the amounts above, the State must expend not less than 70% of the remainder of Discretionary expenditures on providing direct services (Line 1(d) columns C and E).

All of the Child Care Disaster Relief fund expenditures to address the impacts of Hurricanes Fiona and Ian reported in column (E), Discretionary Disaster Relief Act of 2019 expenditures used for construction or major renovation and reported in column (F), Discretionary CARES Act expenditures reported in column (G), Discretionary CRRSA Act expenditures reported in column (H), and Supplemental Discretionary ARP Act expenditures reported in column (I) are **excluded** in the calculation to determine the 70% expenditure amount required to be spent on direct services.

*For GY2019 Discretionary Award:*

By the end of the liquidation period (9/30/21), Line 1(d) columns C and E  $\geq$  (must be greater than or equal to) 70% of [Line 1 columns C and E - (8% of Line 1 columns C and E + 3% of Line 1 columns C and E + Line 1(a) columns C and E)].

*For GY2020 Discretionary Award:*

By the end of the liquidation period (9/30/22), Line 1(d) columns C and E  $\geq$  (must be greater than or equal to) 70% of [Line 1 columns C and E - (9% of Line 1 columns C and E + 3% of Line 1 columns C and E + Line 1(a) columns C and E)] (where Column E is Disaster Relief Act of 2019 expenditures).

*For GY2021 Discretionary Award:*

By the end of the liquidation period (9/30/23), Line 1(d) columns C and E  $\geq$  (must be greater than or equal to) 70% of [Line 1 columns C and E - (9% of Line 1 columns C and E + 3% of Line 1 columns C and E + Line 1(a) columns C and E)] (where Column E is Disaster Relief Act of 2019 expenditures).

*For GY2022 Discretionary Award:*

By the end of the liquidation period (9/30/24), Line 1(d) column C  $\geq$  (must be greater than or equal to) 70% of [Line 1 column C - (9% of Line 1 column C + 3% of Line 1 column C + Line 1(a) column C)].

*For GY2023 Discretionary Award:*

By the end of the liquidation period (9/30/25), Line 1(d) columns C and E  $\geq$  (must be greater than or equal to) 70% of [Line 1 column C - (9% of Line 1 column C + 3% of Line 1 column C + Line 1(a) column C)].

## **Line 1(e) – Non-Direct Services**

Non-direct services are the costs of providing child care subsidies (operating a voucher program and eligibility determination) or other program activities that are not considered administrative costs under the definition at 45 CFR 98.52 of CCDF regulations.

Note that costs associated with State compliance with Subpart K – Error Rate Reporting of CCDF regulations are not subject to the administrative costs cap and should be reported as non-direct service expenditures on Lines 1(e) and 1(e)(2).

Stabilization ARP Act funds expenditures will be reported in row 3 and rows 4(a) through 4(f), therefore column (J) should not be reported in this row.

**For each column (A through I), Line 1(e) is equal to 1(e)(1) + 1(e)(2) + 1(e)(3)**

Table 8: Explanation of Column Entries for Line 1(e)

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS— CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
<u>1(e). NON-DIRECT SERVICES</u>  1(e)(1). SYSTEMS  1(e)(2). CERT. PROGRAM COSTS/ELIG DETERMINATION  1(e)(3). ALL OTHER NON-DIRECT SERVICES	Enter the cumulative expenditures from Mandatory funds on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter reported.	Enter the cumulative total of both Federal and State Matching expenditures on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from Discretionary funds on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter reported.	Enter the cumulative total of State MOE expenditures on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from Discretionary Disaster Relief funds on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter reported.	Enter the cumulative expenditures from Discretionary Disaster Relief Construction and Major Renovation funds on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter reported.	Enter the cumulative expenditures from Discretionary CARES Act funds on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter reported.	Enter the cumulative expenditures from the Discretionary CRRSA Act funds on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter reported.	Enter the cumulative expenditures from the Supplemental Discretionary ARP Act funds on non-direct services, respectively, made from October 1 of the GY for which the report is being submitted through the current quarter reported.	



The following sub-categories for Non-Direct Services are included on the ACF-696 form reporting expenditures under for Line 1(e):

*Line 1(e)(1) – Systems*

- Establishment and maintenance of computerized child care information systems.

*Line 1(e)(2) - Certificate Program Cost / Eligibility Determination*

- Establishing and operating a certificate program
- Eligibility determination and re-determination.
- Costs associated with conducting error rate reviews and compliance with Error Rate Reporting requirements per Subpart K of CCDF Regulations.

*Line 1(e)(3) - All Other Non-Direct Services*

- Preparation/participation in judicial hearings
- Recruitment, licensing, inspection, reviews, and supervision of child care placements
- Training of child care providers on billing and claims processes associated with the subsidy program
- Reviews and supervision of child care placements
- Rate setting
- Resource and referral services
- Training of child care staff on CCDF administrative issues

## **Line 1(f) – Construction and Major Renovation**

CCDF 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. Any such funds used for construction on major renovation (as defined at 45 CFR 98.2 of the CCDF regulations) should be reported on Line 1(f), column (F). Funds used for minor remodeling or minor renovation (i.e., renovation other than major renovation) should **not** be reported on Line 1(f), but rather should be reported as a quality expenditure on Line 1(b) or 1(c). With the exception of the Discretionary Disaster Relief Act of 2019 funds and the Child Care Disaster Relief funds for Hurricanes Fiona and Ian, no CCDF funds may be expended for the purchase, construction, or permanent improvement of any building or facility.

Table 9: Explanation of Column Entries for Line 1(f)

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
<u>1(f).</u> <u>CONSTRUCTION</u> <u>AND MAJOR</u> <u>RENOVATION</u>						Enter the cumulative expenditures from Discretionary Disaster Relief Construction and Major Renovation funds made from October 1 of the GY for which the report is being submitted through the current quarter reported.				

## Line 2 - State Share of Expenditures

In order to receive their full allotment of federal Matching funds for a fiscal year, States must expend their required Maintenance-of-Effort (MOE) amount and obligate the State share of Matching expenditures in the first year of the grant award.

In column (B) – Matching Funds, the amount reported **may not** exceed the total of the State’s share of the Matching fund required to draw down the full allotment of Federal Matching funds. This amount is based on the State’s FMAP rate. However, States are not required to match the additional funds awarded in section 9801 of the ARP Act in GY 2021 or GY 2022. States can identify the exact state match award on the GY 2021 and GY 2022 allocation tables (<https://www.acf.hhs.gov/occ/data/ccdf-state-and-territory-funding-allocations>) or by checking with their grants specialist.

Territory Mandatory funds are not subject to any matching requirements.

Similarly, in column (D) – MOE, the amount reported **may not** exceed the amount of the State’s MOE requirement. Any additional State expenditures that exceed the State’s share of the Matching fund and the MOE requirement should not be reported on the ACF-696 form. (See CCDF allocation tables for the State share Match and MOE requirements at: <http://www.acf.hhs.gov/programs/occ/resource/ccdf-state-and-territory-funding-allocations>)

**For each column (B and D), Line 2 is equal to 2(a)+2(b)+2(c)**

Table 10: Explanation of Column Entries for Line 2

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
<u>2. STATE            SHARE            EXPENDITUR            ES</u>  2(a).REGULA R  2(b).PRIVATE DONATED FUNDS  2(c).PRE-K		Enter the cumulative total of State Matching expenditures made from October 1 of the GY for which the report is being submitted through the current quarter being reported at the specified FMAP rate.		Enter the cumulative State MOE expenditures made from October 1 of the GY for which the report is being submitted through the current quarter being reported.						

The following sub-categories for State share of expenditures are included on the ACF-696 form reporting expenditures under Line 2:

**Line 2(a) - Regular:** All public funds used by the State as the State share of the Matching fund that are not privately donated funds or public pre-kindergarten (Pre-K) expenditures are to be included in this category. State expenditures of non-federal funds must be for allowable child care services or activities, as described in the approved State Plan. State share of expenditures may include public funds when the funds are appropriated directly to the Lead Agency or transferred from another public agency and under the Lead Agency's administrative control, or certified by the contributing public agency as representing expenditures eligible for federal match. The same expenditures may not be used to meet both the Match and MOE requirements under CCDF.

The following may **not** be used as State share of expenditures [See 45 CFR 98.53(i) & (g)]:

- Federal funds (unless authorized by federal law to be used as match);
- Funds used to match other federal funds;
- In-kind contributions;
- Family contributions to the cost of care (i.e., family co-payments); and
- Expenditures for which the use of federal CCDF funds is prohibited.

**Line 2(b) - Private Donated Funds:** Private donated funds reported in column (D) must meet the requirements of CCDF regulations at 45 CFR 98.53(e)(2). Private donated funds may be used as State Match when the donated funds are made without any restriction that would require their use for a specific individual, organization, facility or institution; do not revert to the donor's facility or use; and are not used to match other federal funds.

The donated funds shall be certified as available and representing expenditures eligible for federal match and shall be subject to audit requirements.

**Line 2(c) - Pre-K:** Public Pre-Kindergarten (Pre-K) expenditures on CCDF-eligible children may be used for up to 20% of the funds serving as MOE expenditures (column D) as long as the State has not reduced its expenditures for full day/full year child care services. A State may use other public Pre-K funds for up to 30% of the funds required for State Match (column B). States must include in the CCDF Plan, as provided in 98.16(q), a description of the efforts it will undertake to ensure that Pre-K programs meet the needs of working parents and, if the State uses Pre-K to meet more than 10% of either the MOE or Matching requirement, how the State will coordinate its Pre-K and child care services to expand availability of care.

Expenditures from State-funded public Pre-K services claimed as CCDF Match or MOE must be for services to children from families who meet CCDF eligibility criteria. ACF permits Lead Agencies that do not have child-specific information on children enrolled in Pre-K programs to develop a methodology for calculating Pre-K expenditures for purposes of claiming Match and

MOE. States may estimate the proportion of children served in the public Pre-K program who are also CCDF eligible (Also see 63 FR 39966). The methodology should take into consideration the number of children served by the Pre-K program who are from families who would be eligible for CCDF based on State income eligibility limits, participation in employment, training, or education activities, etc.

The Lead Agency is required to report the total unduplicated number of children served through the public Pre-K program that are determined to be CCDF eligible and for which CCDF Match and MOE expenditures were claimed, on the annual ACF-800 CCDF administrative data report. Additional information on the ACF-800 report can be found at:

<http://www.acf.hhs.gov/programs/occ/resource/acf-800-annual-aggregate-child-care-data-report>

### **Line 3 – Stabilization ARP Act Subgrants to Providers**

In response to the urgent need to stabilize the child care sector, the ARP Act included \$23,975,000,000 billion 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.

Lead Agencies must spend most stabilization funds (at least 90 percent of their stabilization grant allocations) 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.

Lead agencies must provide subgrant funds 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 3 column J  $\geq$  (must be greater than or equal to) 90% of Line 1 column J.**

Table 11: Explanation of Column Entries for Line 3

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
<u>3.</u> <u>Stabilization</u> <u>ARP Act</u> <u>Subgrants to</u> <u>Providers</u>										Enter the cumulative expenditures from the Stabilization ARP Act funds on subgrants to providers made from October 1 of the GY for which the report is being submitted through the current quarter reported.

## **Line 4 – Stabilization ARP Act Set Aside (Administration & TA)**

CCDF Lead Agencies may spend up to 10 percent of stabilization ARP Act 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.

Lead Agencies may spend part or all of this set-aside directly or may fund intermediaries through contracts or grants. 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 4 column J ≤ (must be less than or equal to) 10% of Line 1 column J.**



Table 12: Explanation of Column Entries for Line 4

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
4. <u>Stabilization ARP Act Set Aside (Admin &amp; TA)</u>										Enter the cumulative expenditures from the Stabilization ARP Act funds on set-aside activities, made from October 1 of the GY for which the report is being submitted through the current quarter reported.

The following sub-categories for Stabilization Set-Aside are included on the ACF-696 form reporting expenditures under for Line 4:

- *Line 4(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 State and Territory levels.
- *Line 4(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 4(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 in the State, Territory, or 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 4(d) – TA – Implementation:* Lead Agencies may use the set-aside to provide technical assistance and support to child care providers receiving subgrants.
- *Line 4(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 4(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:

- o Start-up resources and grants;
- o Administrative costs associated with increasing the use of grants and contracts for child care services;
- o Facilitating a financing program with low- or no-interest loans to programs interested in start-up expansion, or improvement in areas of need;
- o Facility improvement grants;
- o Staffed family child care networks;
- o Technical assistance on business practices;
- o Developing and implementing a strategic plan for building supply;
- o Expanding the use of shared services models;
- o Improvements to Lead Agency data systems that will be used to better meet the demand for child care;
- o Conducting community needs assessments; and,
- o 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, 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 prohibited, except in cases where tribal Lead Agencies have received prior approval from OCC (42 U.S.C. 9858d(b)(1)). Lead Agencies with questions about allowable facility and maintenance improvements should contact their OCC Regional Office. It is allowable to use these funds for facility maintenance and improvement of child care facilities. Construction of new facilities and major renovations, as defined at 45 CFR 98.2.

## Line 5 - Federal Share of Expenditures

Table 13: Explanation of Column Entries for Line 5

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
5. FEDERAL SHARE OF EXPENDITURE	Enter the cumulative Federal share of Mandatory funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported. This number will be the same as that on Line 1 (column A).	Enter the cumulative <u>Federal share</u> of Matching funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the cumulative Federal share of Discretionary funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported. This number will be the same as that on Line 1 (column C).		Enter the cumulative Federal share of Discretionary Disaster Relief funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported. This number will be the same as that on Line 1 (column E).	Enter the cumulative Federal share of Discretionary Disaster Relief Construction and Major Renovation funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported. This number will be the same as that on Line 1 (column F).	Enter the cumulative Federal share of Discretionary CARES Act funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported. This number will be the same as that on Line 1 (column G).	Enter the cumulative Federal share of Discretionary CRRSA act funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported. This number will be the same as that on Line 1 (column H).	Enter the cumulative Federal share of Supplemental Discretionary ARP Act funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported. This number will be the same as that on Line 1 (column I).	Enter the cumulative Federal share of Stabilization ARP Act funds made from October 1 of the GY for which the report is being submitted through the current quarter being reported. This number will be the same as that on Line 1 (column J).

## Line 6 - Federal Share of Unliquidated Obligations

Table 14: Explanation of Column Entries for Line 6

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
6. FEDERAL SHARE OF UN- LIQUIDATED OBLIGATIONS	Enter the cumulative amount of Federal Mandatory fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.	Enter the cumulative amount of obligated Federal Matching fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.	Enter the cumulative amount of Discretionary Federal fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.		Enter the cumulative amount of Discretionary Disaster Relief Federal fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.	Enter the cumulative amount of Discretionary Disaster Relief Construction and Major Renovation Federal fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.	Enter the cumulative amount of Discretionary CARES Act Federal fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.	Enter the cumulative amount of Discretionary CRRSA Act Federal fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.	Enter the cumulative amount of Supplemental Discretionary ARP Act Federal fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.	Enter the cumulative amount of Stabilization ARP Act Federal fund obligations made from October 1 of the GY for which the report is being submitted through the current quarter being reported that have not been liquidated.

## Line 7 – Awarded

OLDC auto-populates line 7 award amounts. If these are not correct, please notify your Grants Management Specialist.

Table 15: Explanation of Column Entries for Line 7

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
7. AWARDED	OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.	OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.	OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.		OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.	OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.	OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.	OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.	OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.	OLDC auto-populates the award amount. If the amount is incorrect, please notify your ACF Grants Management Specialist.

## Line 8 - Transfer from TANF

Lead Agencies may transfer up to 30% of their TANF grant to CCDF. TANF funds transferred to CCDF are treated as Discretionary funds and are subject to the same requirements and restrictions (e.g., Lead Agencies must obligate their TANF transfers within two years and liquidate those obligations within three years). Funds reported in column (C) of Line 6 must also be reported in the categorical amounts entered in column (C) for other lines on the ACF-696.

Lead Agencies wishing to transfer funds back to the TANF block grant must do so within the two-year obligation period for CCDF Discretionary funds.

Table 16: Explanation of Column Entries for Line 8

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
8. TRANSFER FROM TANF			Enter the cumulative amount transferred from TANF into the CCDF Discretionary from October 1 of the GY for which the report is being submitted through the current quarter being reported.							

## Line 9 - Unobligated Balance

Enter the amount of unobligated federal funds for the GY through the quarter ending report being submitted.

- Column (A): For States requesting Matching funds, amounts reported in column (A) – Mandatory funds, must be obligated by the end of the first year<sup>12</sup>.
- Column (B): Amounts reported in column (B) – Matching funds that remain unobligated after the one-year obligation period will be returned to the federal government and re-distributed.
- Columns (C) and (E): Amounts reported in columns (C) and (E) – Discretionary funds and Discretionary Disaster Relief funds, that remain unobligated after the obligation period, will be returned to the federal Government.
- Column (D): Amounts reported in column (D) – State MOE must be expended by September 30 of the Grant Award Year.
- Column (F): Amounts reported in column (F) – Discretionary Disaster Relief Act of 2019 Funds for Construction/Renovation, that remain unobligated after the four-year obligation period, will be returned to the federal government.
- Column (G): Amounts reported in column (G) – Discretionary CARES Act funds, and remaining unobligated after the three-year obligation period, will be returned to the federal government.
- Column (H): Amounts reported in column (H) – Discretionary CRRSA Act, and remaining unobligated after the two-year obligation period, will be returned to the federal government.
- Column (I): Amounts reported in column (I) – Supplemental Discretionary ARP Act funds, and remaining unobligated after the three-year obligation period, will be returned to the federal government.
- Column (J): Amounts reported in column (J) – Stabilization ARP Act funds, and remaining unobligated after the two-year obligation period, will be returned to the federal government.

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<sup>12</sup> Amounts reported in column (A) – If Mandatory funds are not obligated in Year 1, the state is not eligible to receive any federal Matching funds. Any unobligated Mandatory funds and all federal Matching funds will be returned to the federal government. States are not required to match the additional funds awarded in section 9801 of the ARP Act in GY 2021 or GY 2022. Territories do not receive Matching funds.



Table 17: Explanation of Column Entries for Line 9

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
9. UN- OBLIGATED BALANACE	Enter the amount of Federal Mandatory un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the amount of Federal Matching un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the amount of Federal Discretionary un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.		Enter the amount of Federal Discretionary Disaster Relief un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the amount of Federal Discretionary Disaster Relief Construction and Major Renovation un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the amount of Discretionary CARES Act un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the amount of Discretionary CRRSA Act un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the amount of Supplemental Discretionary ARP Act un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.	Enter the amount of Stabilization ARP Act un-obligated funds from October 1 of the GY for which the report is being submitted through the current quarter being reported.

- Line 9(a), Column (J): A Lead Agency must notify ACF if it is unable to obligate at least 50% of the CCDF Stabilization grants by December 11, 2021. The Lead Agency must indicate this on line 9(a). Lead Agencies still have until September 30, 2022, to obligate their funds, but OCC strongly encourages Lead Agencies to obligate at least half of funds by December 11, 2021.

## Line 10 - Federal Funds Requested<sup>13</sup>

This is the estimate of federal Mandatory, Matching, and Discretionary CCDF funds (Columns A, B, and C) being requested for the next reporting quarter. (The Next Quarter Beginning date is auto-populated in the upper right hand corner of report.) All amounts reported on Line 10 are estimates of obligations or expenditures to be made during the quarter indicated based on the best information available to the State. The ACF-696 is not used to request Discretionary Disaster Relief CCDF funds (Columns E and F), Discretionary CARES Act funds (Column G), Discretionary CRRSA Act funds (Column H), Supplemental Discretionary ARP Act funds (Column I), or Stabilization ARP Act funds (Column J).

Lead Agencies may request up to 35% of their grant award allocation by the end of the 1<sup>st</sup> quarter, up to 70% of their allocation by the end of the 2<sup>nd</sup> quarter, and up to 85% of their allocation by the end of the 3<sup>rd</sup> quarter. Cash advances from PMS are limited to the minimum amounts needed and should be timed to be in accord with the actual immediate cash requirements of the State.

*Table 18: Example of Dates for Federal Funds Requested*

Period Ending	Next Quarter Beginning	Federal Funds that can be Requested
06/30/21	10/01/21	up to 35% of grant award
09/30/21	01/01/22	up to 70% grant award
12/31/21	04/01/22	up to 85 % of grant award
03/31/22	07/01/22	100% grant award

<sup>13</sup> Cash Management Improvement Act (CMIA), 31 CFR Part 205

Table 19: Explanation of Column Entries for Line 10

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETION- ARY FUNDS	(COLUMN D) MOE	(COLUMN E) DISCRETION- ARY DISASTER RELIEF FUNDS	(COLUMN F) DISCRETION- ARY DISASTER RELIEF FUNDS —CON- STRUCTION AND MAJOR RENOVATION	(COLUMN G) DISCRETION- ARY CARES ACT FUNDS	(COLUMN H) DISCRETION- ARY CRRSA ACT FUNDS	(COLUMN I) SUPPLE- MENTAL DISCRETIO- NARY ARP ACT FUNDS	(COLUMN J) STABILIZA- TION ARP ACT FUNDS
10. FEDERAL FUNDS REQUESTE D <sup>14</sup>	Enter the Lead Agency estimate of Federal Mandatory funds needed for the quarter beginning after submission of this report.	Enter the State estimate of Federal Matching funds needed for the quarter beginning after submission of this report.	Enter the Lead Agency estimate of Federal Discretionary funds needed for the quarter beginning after submission of this report.							

<sup>14</sup> These estimated funds are for the quarter beginning after the submission of this report. For example, if the report quarter ends on September 30, then the beginning date of the next quarter beginning after submission of this report will be January 1.

## Lines 11 through 13 - Redistributed and Reallotted Funds

### **Redistributed Territory Mandatory Funds:**

Any unobligated portion of a Territory's Mandatory fund for a given GY will be redistributed to the following GY to requesting Territories. Redistributed Territory Mandatory funds are considered part of the GY to which the redistribution is made and subject to obligation/liquidation requirements for the receiving GY.

For the quarter ending September 30 report, Territories must mark **YES** in Line 11, Column (A) if the Territory wants to request any redistributed Mandatory funds. A Territory requesting redistributed Mandatory funds may indicate in Line 11(a), Column (A) if they wish to limit the amount received to a specific amount due to Territory funding limitations.

### **Redistributed State Matching Funds:**

Any unobligated portion of a State's Matching fund for a given GY will be redistributed to the following GY to requesting States that have met the requirements for Matching funds in the period for which the grant was first made. Redistributed Matching funds are considered part of the GY to which the redistribution is made and are subject to obligation/liquidation requirements for the receiving GY.

For the quarter ending September 30 report, States must mark **YES** in Line 11, Column (B) if the State wants to request any redistributed Matching funds. A State requesting redistributed Matching funds may indicate in Line 11(a), Column (B) if they wish to limit the amount received to a specific amount due to State funding limitations.

### **Reallotted Discretionary Funds:**

Any unobligated Discretionary funds for a given GY will be reallotted to other requesting Lead Agencies *in the same GY* in proportion to the original allotments. This includes CARES Act, CRRSA Act, Supplemental Discretionary ARP Act, and Stabilization ARP Act funds. Any unobligated CARES Act, CRRSA Act, or Stabilization ARP Act funds identified by the April 1, 2022 deadline and any unobligated Supplemental Discretionary ARP Act funds identified by April 1, 2023 deadline will be reallotted to other Lead Agencies in proportion to their original allotments.

Unlike redistributed Matching funds, reallotted Discretionary funds must be obligated and liquidated in the applicable periods for which they were originally awarded (since they are reallotted within the same GY). For the quarter-ending March 31 report, Lead Agencies must mark "YES" in Row 12 if the Lead Agency would like to request any reallotted Discretionary funds should they become available.

**Please Note:**

If reports are not received within 30 days after the end of the quarter (10/31 and 4/30 respectively), the Lead Agency may not be eligible for redistributed Matching or reallocated Discretionary funds.

## **SIGNATURES**

Electronic report submission in OLDC is required. OLDC requires certification of reports via e-signature by a grantee staff delegated with certification authority. OLDC auto-populates the certifying official's name, agency, and phone number. Notify your Grants Management Specialist if the information is incorrect. Hardcopy submissions are no longer accepted.

**NOTE:** The individual who e-signs the report is certifying that: (a) the information provided on all parts of this form and all accompanying documents is accurate and correct; and (b) that any amount shown as the State share of obligations is available to meet the non-federal share as prescribed by law.

## **SUPPLEMENTAL INFORMATION**

**Restrictions on Use of CCDF Funds:**

- Construction – No funds may be expended for the purchase, construction, or permanent improvement of any building or facility (with the exception of CCDF Discretionary Disaster Relief Funds, which may be used for renovating, repairing, and rebuilding child care facilities, subject to ACF approval). CCDF funds may be expended for minor remodeling or minor renovation to ensure child care providers meet State and local standards. [See CCDF regulations at 45 CFR 98.56(b)]
- Tuition Restriction – CCDF funds may not be used for students enrolled in grades 1 – 12 for services provided during the regular school day, services for which students receive academic credit, or instruction services that supplant the program of any public or private school. (45 CFR 98.56(c))
- Sectarian Purposes – CCDF funds may not be expended for any sectarian purpose or activity. However, CCDF funds provided through child care certificates (vouchers) may be expended for sectarian purposes or activities including sectarian instruction or worship provided as part of child care services. (45 CFR 98.56(d))

**Audits:** Lead Agencies are subject to audits in accordance with 2 CFR Part 200 Subpart F and 45 CFR Part 75 Subpart F and the Single Audit Act Amendments of 1996. The OMB Circular A-133

CCDF Compliance Supplement (CFDA 93.575; CFDA 93.596) outlines audit procedures and allowable activities.

**Penalties:** If a Lead Agency fails to substantially comply with the CCDBG Act, the CCDF regulations, and the CCDF Plan, HHS may take a disallowance of the improperly expended funds or take a deduction of an amount equal to or less than the improperly expended funds from the administrative portion of the Lead Agency allotment for the following fiscal year. (45 CFR 98.66; 45 CFR 98.92)

**Sanctions:** In addition to the imposition of penalties, HHS may impose sanctions to disqualify the Lead Agency from the receipt of further CCDF funding or an assessment of a penalty. (45 CFR 98.92(b))

## **PAPERWORK REDUCTION ACT OF 1995**

Public reporting for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.