

### Announcing the FFY 2023 CCDF Reallotment Process

September 30, 2023, is the end of the federal fiscal year (FFY) 2023 and is the obligation deadline for:

- Child Care and Development Fund (CCDF) American Rescue Plan (ARP) Act Supplemental Discretionary funds, and
- Tribal CCDF Grant Year (GY) 2022 Discretionary funds.

Any program funds from these grants not obligated by September 30, 2023, will be returned to the Federal Treasury. Generally speaking, an obligation is a fiscal action that commits the funds, such as a legally-binding agreement (e.g., contract or subgrant) between two parties for purchase of services, supplies, or equipment. CCDF Lead Agencies establish specific definitions of obligation through State, Tribal, or local law (45 CFR 98.60(d)).

However, instead of returning funds to the Federal Treasury, State and Tribal Lead Agencies have the option of returning CCDF Discretionary funds that cannot be obligated in time to the Administration for Children and Families (ACF), and those State and Tribal CCDF program funds can be reallotted to other State and Tribal Lead Agencies to support children and families. In accordance with 45 CFR 98.64(b), only the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico are eligible to receive reallotted funds that are de-obligated from those grantees. Funds de-obligated from Tribal Lead Agencies will be reallotted to other Tribal Lead Agencies.

As required by 45 CFR 98.64, ***State and Tribal Lead Agencies must inform ACF by April 3, 2023, of the amount they will be unable to obligate of ARP Supplemental Discretionary and/or GY 2022 Discretionary funds by September 30, 2023.*** (We are extending the deadline to April 3 because April 1—the usual deadline— falls on a weekend this year). This timing is necessary for ACF to be able to de-obligate these funds and reallocate them to other State and Tribal Lead Agencies. This announcement describes key dates and processes for reporting funds that will be unobligated by September 30, 2023, and for requesting to receive those reallotted funds.

#### Eligible funds with obligation deadlines of September 30, 2023:

<b>Regular Funding:</b>	<b>Obligate by:</b>	<b>Grant Document Number:</b>
GY 2022 Discretionary	FFY2023 (9/30/23)	22****CCDD
<b>Supplemental Funding:</b>		
GY 2021 ARP Act Supplemental Discretionary	FFY2023 (9/30/23)	21****CDC6

#### Reporting Unobligated Discretionary Funds

**State and Tribal Lead Agencies that will be unable to obligate their funds from grants listed in the table above by September 30, 2023, must inform ACF by April 3, 2023.** State and Tribal Lead Agencies should email a letter signed by an official authorized to make financial decisions (e.g., Tribal Chair, Agency Director) to their [Office of Child Care \(OCC\) Regional Program Manager](#) and [ACF Grants Management Specialist](#). The email should report the amount of funds for each of the funding streams listed above that the State or Tribal Lead Agency will be unable to obligate by the deadline.

State and Tribal Lead Agencies are responsible for ensuring that the funds reported in the letter are available for de-obligation. In other words, the amount reported as unable to be obligated should be available in the Payment Management System (PMS) (equal to or less than the authorized amount minus the dispersed amount).

Any State or Tribal CCDF program funds that are not by obligated by September 30, 2023, will revert to the Federal Treasury. By providing the timely notification of any unused Discretionary funds by the April 3 deadline, State and Tribal Lead Agencies will ensure that these unused funds are instead made available for use by other CCDF program purposes that support children and families. Providing this notification will not affect the State or Tribal Lead Agency's allocation amount in future fiscal years.

Tribal CCDF program funds that have been transferred to an account to use for construction or major renovation but are ultimately repurposed to use for non-construction CCDF activities retain the properties of the construction funds. This means they do not have an obligation deadline and are not subject to the reallocation process.

#### **Requesting Reallotted Discretionary Funds**

State and Tribal Lead Agencies may request to receive Discretionary funds that other Lead Agencies will not be able to obligate prior to the deadline.

#### ***States Requesting Reallotted Discretionary Funds***

State Lead Agencies are required to submit quarterly financial reports to ACF. The quarter ending (QE) 3-31-2023 ACF-696 financial report asks, "IF AVAILABLE, DOES THE STATE REQUEST REALLOTTED DISCRETIONARY FUNDS?" Only States that mark "yes" for this question on the QE 3-31-2023 ACF-696 report will be eligible for these funds. If reports are not received within 30 days after the end of the quarter (April 30, 2023), the State **will not** be eligible for reallotted Discretionary funds.

#### ***Tribes Requesting Reallotted Discretionary Funds***

Tribal Lead Agencies that receive CCDF program funds directly from ACF must submit annual financial reports to the ACF. The 9-30-2022 annual ACF-696T financial report asks, "IF AVAILABLE, DOES THE TRIBE REQUEST REALLOTTED DISCRETIONARY FUNDS? YES [ ] NO [ ]." Only Tribal Lead Agencies that marked "yes" for this question on the 9-30-2022 annual ACF-696T report that was due on December 30, 2022, are eligible for these funds. If reports were not submitted for these funds, the Tribal Lead Agency **will not** be eligible for reallotted Discretionary funds.

CCDF program funds that have been transferred to an account to use for construction but are ultimately repurposed to use for non-construction CCDF activities retain the properties of the construction funds. This means they do not have an obligation deadline and are not subject to the reallocation process.

***Tribes Operating Under an Approved P.L. 102-477 Plan***

Tribal Lead Agencies that have consolidated their CCDF program into an approved P.L. 102-477 Plan submitted their triennial Child Count Certifications to ACF on July 1, 2022. The Child Count Certification asks “IF AVAILABLE, DOES THE TRIBE REQUEST REALLOTTED DISCRETIONARY FUNDS? YES [ ] NO [ ].” Only Tribal Lead Agencies that marked “yes” for this question on their most recent Child Count Certification are eligible to receive these reallocated funds.

CCDF program obligation and liquidation requirements do not apply to those Tribes that have consolidated their CCDF program into an approved P.L. 102-477 Plan.

***Obligation and Liquidation Periods***

Reallocated Discretionary funds must be obligated and liquidated in the applicable periods for which they were originally awarded because they are reallocated to the same grant year. This means that the State or Tribal Lead Agency receiving reallocated Discretionary funds must obligate those funds by September 30, 2023. *Therefore, State and Tribal Lead Agencies that request reallocated Discretionary funds should begin planning how to obligate the funds in this short time.*

**Paperwork Reduction Act of 1995 (Pub. L. 104-13) Statement of Public Burden:** Through this information collection effort, the Administration for Children and Families is gathering data on your Child Care and Development program’s funds that will not be obligated by the close of the obligation period on September 30, 2023. The public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. The information is required to retain a benefit (45 CFR 98.64). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information subject to the requirements of the Paperwork Reduction Act of 1995, unless that agency or person displays a currently valid Office of Management and Budget (OMB) control number. The OMB # is 0970-0510 and the expiration date is 6/30/2024. If you have any comments on this collection of information, please contact Rachel McKinnon, Office of Child Care, by email at [rachel.mckinnon@acf.hhs.gov](mailto:rachel.mckinnon@acf.hhs.gov).