
Temporary Assistance for Needy Families Program Instruction

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, DC 20447

No. TANF-ACF-PI-2003-1

Date: January 28, 2003

TO: STATE AGENCIES AND INDIAN TRIBES ADMINISTERING APPROVED TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PLANS AND OTHER INTERESTED PARTIES.

SUBJECT: Retention Of TANF Records -- Starting Date of Retention Period

REFERENCE: 45 CFR 92.42 and sections 404(e) and 409(a)(7) of the Social Security Act (Act)

BACKGROUND: The regulations at 45 CFR 92.42 set forth record retention and access requirements applicable to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees. Regarding record retention, 45 CFR 92.42(b) requires a 3-year period -- or longer, "if any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period. When one of the enumerated events occurs, the retention period extends "until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later." 45 CFR 92.42(c) governs the start date of the 3-year retention period; it states the following.

Starting date of retention period -- (1) General. When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or subgrantee submits to the awarding agency its single or last expenditure report for that period. However, if grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditure report for the last quarter of the Federal fiscal year. In all other cases, the retention period starts on the day the grantee submits its final expenditure report.

Section 404(e) of the Act allows States to reserve Federal TANF funds that they receive "for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under this part." Thus, States may reserve for expenditure in succeeding fiscal years any unobligated Federal TANF funds received during the current fiscal year.

Section 409(a)(7) of the Act provides for an annual maintenance-of-effort (MOE), or cost-sharing, requirement that applies to States and Territories participating in the Federal TANF block grant program. States and Territories must spend a specified amount of their own funds every year to help eligible families in ways that are reasonably calculated to accomplish a purpose of the TANF program. Only State expenditures made in the fiscal year for which TANF funds are awarded count toward meeting the MOE requirement for that year. This means that States may only use current year funds for expenditures that occur during that year. States may not count expenditures from State funds carried into a current year toward their MOE requirements.

PURPOSE: This program instruction clarifies the general rule for determining the start date of the 3-year record retention period provided under 45 CFR 92.42(c)(1) as it pertains to the State, Territorial, and Tribal Federal TANF awards, and MOE expenditures.

POLICY: Given the above-mentioned Federal TANF and MOE provisions, we concluded that the third option under 45 CFR 92.42(c)(1) is the most relevant to determining the start date of the 3-year retention period applicable to all Federal TANF and MOE financial and programmatic records, supporting documents, and statistical documents.

Federal TANF Awards:

For Federal TANF awards, the record retention period starts on the day the grantee submits its final expenditure report showing that all the funds awarded in the particular Federal fiscal year (FY) have been expended. For example, if a State, Territory, or Tribe expended all its FY 2001 award by the end of FY 2001, the date of submission of the final expenditure report for 2001 would mark the beginning date of the record retention period of FY 2001 records. If the State, Territory, or Tribe had FY 1997 grant funds available through FY 2000, but expended the last of its 1997 award funds in FY 2000, the submission date of the FY 2000 report showing the final expenditure of FY 1997 funds would be controlling for retention of FY 1997 records.

Hence, for each fiscal year, the 3-year record retention period begins in the first quarter of the new fiscal year that immediately follows the 4th quarter TANF/Territorial Financial Report (ACF-196) or the 4th quarter Tribal TANF Financial Report (SF-269A and/or ACF-196TR) for the current fiscal year showing the final expenditure for the particular grant year. This is because the 4th quarter TANF Financial Report is the final expenditure report for a fiscal year, and must be submitted within 45 days of the end of the quarter. For example, if FY 1997 funds were finally expended during FY 2000, then the 3-year retention period would begin in the first quarter of FY 2001. In this example, suppose the State, Territory, or Tribe submitted its final FY 1997 expenditure report on December 15, 2000 (FY 2001). The 3-year record retention period for FY 1997 begins December 15, 2000 (FY 2001) and ends December 15, 2003 (FY 2004). Thus, the

State, Territory, or Tribe must retain all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees having to do with the FY 1997 Federal TANF award until December 15, 2003. If any litigation, claim, negotiation, audit or other action starts before the expiration of the 3-year record retention period, then the retention period ends December 15, 2003 or upon resolution of all issues arising from the action, whichever is later.

If a State, Territory, or Tribe spent all of its FY 2001 grant award during FY 2001, carrying over \$0 FY 2001 funds into FY 2002, then the 3 year record retention period for this particular fiscal year's Federal TANF award would begin on the date in the first quarter of FY 2002 that the State submitted its 4th quarter FY 2001 expenditure report. For example, if the State, Territory, or Tribe submitted its final FY 2001 expenditure report on December 15, 2001, then the State, Territory, or Tribe must retain all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees having to do with the FY 2001 Federal TANF award until December 15, 2004. If any litigation, claim, negotiation, audit or other action start before the expiration of the 3-year record retention period, then retention period ends December 15, 2004 or upon resolution of all issues arising from the action, whichever is later.

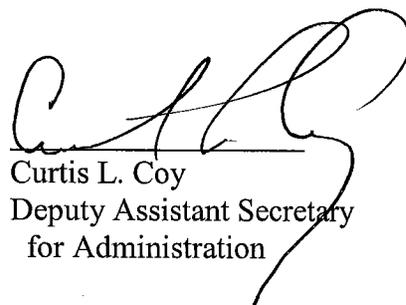
MOE Expenditures:

As in the case of Federal TANF awards, the record retention period starts on the day the State submits its final expenditure report showing State expenditures claimed toward the State's MOE requirement for the particular Federal fiscal year. This means that for each fiscal year, the 3-year record retention period begins in the first quarter of the new fiscal year that immediately follows the 4th quarter TANF Financial Report (ACF-196) for the current fiscal year. For example, suppose a State submitted its 4th quarter TANF Financial Report for FY 1997 on December 15, 1997 (first quarter of FY 1998). The 3-year record retention period begins on December 15, 1997 (FY 1998) and ends on December 15, 2000 (FY 2001). Hence, the State must retain all financial and programmatic records, supporting documents, statistical records, and other records having to do with FY 1997 MOE funds until December 15, 2000. If any litigation, claim, negotiation, audit or other action starts before the expiration of the 3-year record retention period, then the retention period ends December 15, 2000 or upon resolution of all issues arising from the action, whichever is later.

INQUIRIES: Inquiries should be addressed to the appropriate Administration for Children and Families (ACF) Regional Administrator



Andrew S. Bush
Director
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Curtis L. Coy
Deputy Assistant Secretary
for Administration