



ADMINISTRATION FOR
CHILDREN & FAMILIES

**Office of Child Care
Child Care and Development Fund Grants**

Program Specific Terms and Conditions for State and Territory Grantees

By acceptance of this award, the State or Territory agrees to comply with the terms and conditions detailed below. Failure to comply with these terms and conditions may result in the loss of Federal funds and may be considered grounds for the suspension or termination of this grant. These terms and conditions stand alone and referring to the General Terms and Conditions for program operation (that apply to other ACF programs) is not necessary.

This award is subject to the following terms, conditions and provisions:

PROGRAM STANDARDS

1. The provisions of the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended, and section 418 of the Social Security Act, as amended, and the provisions of the current approved CCDF State plan, including all approved amendments or revisions.

ADMINISTRATIVE REQUIREMENTS

2. The following regulations from Title 45 of the Code of Federal Regulations (CFR):
3. **45 CFR Part 98** – Child Care and Development Fund; Final Rule
4. **45 CFR Part 99** – Procedures for Hearings for the Child Care and Development Fund
5. **45 CFR Part 75 Subpart F** – Audit Requirements
6. Mandatory funds are available until expended unless the State has received and expended Matching funds for the same fiscal year. In that case, funds must be obligated by September 30 of the current fiscal year. Mandatory funds are 100% Federal funds and no State match is required to use these funds.
7. Matching funds are available provided that the State (1) obligates all its Mandatory funds by the end of the Federal fiscal year; and (2) within the same fiscal year, expends State funds in an amount that equals the State Maintenance of Effort (MOE) threshold for allowable child care activities. Matching funds must be matched by State expenditures that are in excess of the amount required to satisfy the MOE requirement. The applicable Matching rate is the current year Federal Medical Assistance Percentage (FMAP) rate.
 - a. Matching funds must be obligated by September 30, 2016. Matching funds not obligated by that date will be re-allotted to other States. Matching fund obligations must be liquidated by September 30, 2017.
 - b. The State must expend State funds to meet the MOE requirement. The State MOE amount will be monitored on the ACF-696. Matching funds will be disallowed if the State MOE is not met and/or Mandatory funds are not obligated by September 30, 2016.

8. Discretionary funds must be obligated by September 30, and liquidated by September 30. Discretionary funds are 100% Federal funds and no State match is required. Discretionary funds shall be used to supplement, not supplant, State general revenue funds for child care assistance for low- income families.
9. Each fiscal year the Appropriation targets specific amounts for the following activities:
 - Child Care Quality Improvement
 - Infant and Toddler Quality Improvement
 - Child Care Resource and Referral and School Aged Child Care Activities

a. The expenditures of these targeted amounts are not counted as quality activities for purposes of meeting the minimum quality expenditure requirements at section 658G of the CCDBG Act. These targeted amounts are in addition to expenditures under the quality requirements. The table below shows the minimum quality expenditure requirements:

b.

	Quality Activities	Activities to Increase the Quality of Care for Infants and Toddlers
FY 2016	7%	[no requirement]
FY 2017	7%	3%
FY 2018	8%	3%
FY 2019	8%	3%
FY 2020 and beyond	9%	3%

c. States and Territories are required to spend their allotment of targeted funds. After the final appropriation has been signed into law, the required amount of targeted funds for each State and Territory will be inputted on the Office of Child Care website at:

<http://www.acf.hhs.gov/programs/occ/funding>

10. The total expenditures of aggregate Federal funds and the amount of State matching funds are subject to the minimum quality expenditure requirements (outlined in the table above). This includes funds transferred from the Temporary Assistance for Needy Families (TANF) program into CCDF.
11. Not more than 5% of the total expenditures of aggregate Federal funds and the amount of State matching funds may be expended on administrative costs. This includes funds transferred from TANF to CCDF.
12. Grantee’s fiscal and accounting procedures must be sufficient to permit the preparation of required reports and the tracing of expenditures to a level of expenditure adequate to establish that such funds have not been used in violation of 45 CFR Part 98.
13. Direct Federal grants, sub-awards, or contracts under this program shall not be used to support inherently religious activities such as religious instruction, worship, or proselytization. Therefore, organizations must take steps to separate, in time or location, their inherently religious activities from the services funded under this program. (See 45 CFR Part 98.54)
14. Federal grant funds provided under this award may not be used by the grantee or any sub-grantee to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations. This prohibition is related to the use of Federal grant funds and is not intended to affect an individual’s right or that of any organization, to petition Congress, or any other level of Government, through the use of other resources. (See 45 CFR Part 93.)

15. In accordance with Public Law 103-333, the “Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995,” the following provisions are applicable to this grant award:

16. In accordance with Public Law 103-333, the “Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995,” the following provisions are applicable to this grant award:

Section 507: “Purchase of American-Made Equipment and Products - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.”

Section 508: “When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all States receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.”

17. In accordance with Part C of Public Law 107-110 (No Child Left Behind), the “Pro-Children Act of 2001”, no Federal agency shall permit smoking within any indoor facility (or portion of such facility) operated by such agency, directly or by contract, to provide routine or regular health or child care or early childhood development services to children. This does not apply to any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to drugs or alcohol, or any private residence. Individuals in violation are subject to a \$1,000 fine, administrative compliance, or both.

18. The above language must be included in any sub-awards that contain provisions for children’s services and that all sub-grantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day.

19. The above language must be included in any sub-awards that contain provisions for children’s services and that all sub-grantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day.

20. The Drug-Free Workplace Act of 1988, 42 U.S.C. 701 et seq., requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. The recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment. HHS implementing regulations are set forth in 45 CFR Part 82, “Government wide Requirements for Drug-Free Workplace (Financial Assistance).”

21. This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to: <http://www.acf.hhs.gov/grants/terms-and-conditions>

22. The use of Federal funds from this award constitutes the State’s acceptance of these terms and conditions.

23. The Consolidated Appropriations Act, 2012 (Pub. L. 112-74), enacted December 23, 2011, limits the salary amount that may be awarded and charged to ACF grants and cooperative agreements. Award funds issued under CCDF may not be used to pay the salary of an individual at a rate in excess of Executive Level II. The Executive Level II salary of the Federal Executive Pay scale is \$179,700 (<http://www.opm.gov/oca/12tables/html/ex.asp>). This amount reflects an individual's base salary exclusive of fringe and any income that an individual may be permitted to earn outside of the duties to the applicant organization. This salary limitation also applies to sub-awards/subcontracts under an ACF grant or cooperative agreement.
24. The CCDF Administrator, or designee from the State or Territory CCDF Lead Agency, must attend and participate in ACF-sponsored national or regional in-person meetings and trainings, as directed by the Office of Child Care. This award may be used for allowable costs associated with travel, lodging, per diem, and other related expenses associated with the grantee meetings and trainings.
25. In applicability of Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR Part 200) to Child Care and Development Fund (CCDF), grantees must comply with "CCDF-ACF-PI-2015-01."

SUB-RECIPIENTS AND VENDORS UNDER GRANTS

26. States are required to determine recipient type when sub-granting or contracting using Federal funds. Recipient type includes sub-grantees/sub-recipients, vendors and contractors. CFR Part 2 Subpart F and 45 CFR Part 75 Subpart F, Audit Requirements establishes the standards for determining the difference between a sub-grantee and a vendor, based on the substance of the relationship with the State, rather than the form of the agreement.

A recipient is considered a *sub-grantee* and is subject to 2 CFR Part 2 Subpart F and 45 CFR Part 75 Subpart F, Audit Requirements if it meets the following conditions:

- a. Determines who is eligible to receive what Federal financial assistance;
- b. Has its performance measured against whether the objectives of the Federal program are met;
- c. Has responsibility for programmatic decision making;
- d. Has responsibility for adherence to applicable Federal program compliance requirements;
- e. Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity;

A recipient is considered a *vendor* and is not subject to 2 CFR Part 2 Subpart F and 45 CFR Part 75 Subpart F, Audit Requirements if it meets the following conditions:

- a. Provides the goods and services within normal business operations;
- b. Provides similar goods or services to many different purchasers;
- c. Operates in a competitive environment;
- d. Provides goods or services that are ancillary to the operation of the Federal program;
- e. Is not subject to compliance requirements of the Federal program.

27. States are required to advise sub-grantees/sub-recipients of requirements imposed on them by Federal laws, regulations, and the provisions of grant agreements or contracts as well as any supplemental requirements imposed by the State. These include grant administrative requirements and cost principles according to recipient type.
28. States must ensure that sub-recipients and sub-grantees expending more than \$500,000 or more in Federal awards during the sub-recipient/sub-grantee's fiscal year have an audit in compliance with the requirements of 2 CFR Part 2 Subpart F and 45 CFR Part 75 Subpart F, Audit Requirement

29. HHS now requires this program award to adhere to the Sub-award and Executive Compensation reporting requirements of “the Transparency Act” (as defined in 2 CFR Part 170). Under the transparency Act, all sub-awards (as defined in 2 CFR Part 170) over \$25,000 must be reported, unless exempted. Please see the newly applicable Award Term for Federal Financial Accountability and Transparency Act (FFATA), Public Law 110-252.
30. HHS now requires this program award to adhere to the Sub-award and Executive Compensation reporting requirements of “the Transparency Act” (as defined in 2 CFR Part 170). Under the Transparency Act, all sub-awards (as defined in 2 CFR Part 170) over \$25,000 must be reported, unless exempted. Please see the newly applicable Award Term for Federal Financial Accountability and Transparency Act (FFATA).

FINANCIAL AND PROGRAM PROGRESS REPORTING

31. In accordance with 45 CFR 98.65 and ACF instructions, the grantee must submit a quarterly financial status report (ACF-696) of expenditures and next quarter estimates. A separate quarterly expenditure report is required for each fiscal year’s grant award until all funds have been liquidated for the reported fiscal year’s grant award. Quarterly reports are due 30 days after each federal fiscal quarter.
32. In lieu of paper copies, States are encouraged to submit their periodic financial reporting forms electronically, via the ACF On-Line Data Collection (OLDC) system. The Web address is <https://extranet.acf.hhs.gov/ssi/>.

Grantees that elect to submit paper copies send one (1) “original signature” copy of the ACF-696 to:

Administration for Children and Families Office of Administration Division of Mandatory Grants (CCDF) 330 C Street, SW Washington, DC 20201	And a copy to:	ACF Grants Management Office in your Region
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33. A negative award will recoup unobligated and/or unliquidated funds reported on the final ACF-696 report. Compliance with Discretionary targeted amounts, the minimum quality expenditures, and administration cap requirements will be verified at the end of the Discretionary liquidation period. A negative award will recoup funds spent not in accordance with these requirements.
34. In accordance with 45 CFR 98.70 and 98.71, the State must submit administrative data on the aggregate report (ACF-800) and case level reports (ACF-801).
35. In accordance with 45 CFR 98.100 to 98.102 States, the District of Columbia and Puerto Rico must comply with CCDF error reporting requirements.
36. In applicability of Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR Part 200) to Child Care and Development Fund (CCDF), grantees must comply with “CCDF-ACF-PI-2015-01.”

PAYMENT ARRANGEMENTS

37. Payments under this grant will be made through the Division of Payment Management’s *Smartlink* Payment System. The grantee shall comply with requirements imposed by the system. Please direct any questions regarding payments to:

Director, Payment Management System
P. O. Box 6021
Rockville, MD 20852
1-877-614-5533

38. In accordance with P.L. 101-510, grant funds must be drawn down from the Payment Management System within 5 years from the year in which the funds were awarded (i.e., FY 2013 funds must be drawn down no later than 9/30/2018) except where an authorizing statute allows for draw down until funds are expended. In the absence of a statutory exception, requests for adjustments or revisions to the Payment Management System account will not be honored once the five year limit has passed.

NOTE: The U.S. Government Accountability Office (GAO) maintains **FraudNET**, a system for reporting allegations of fraud, waste and abuse under

Federal grants and cooperative agreements. Reports are kept confidential; you need not provide your name. Information provided through the Internet web site is secure and all information is safeguarded against unauthorized disclosure.

To report the possible misuse of federal funds, the E-mail address is fraudnet@gao.gov; the fax number is 202-512-3086 and the mailing address is GAO **FraudNET**, 441 G Street N.W., Washington, D.C. 20548. When you submit allegations, please provide as much detailed information as possible. For other sources of fraud contacts are provided below:

OIG Fraud Hotline: 1-800-447-8477; fax 1-800-223-8164;
<http://oig.hhs.gov/fraud/hotline/>

ACF Fraud Hotline: 1-888-289-8442

39. In accordance with Part C of Public Law 107-110 (No Child Left Behind), the “Pro-Children Act of 2001”, no Federal agency shall permit smoking within any indoor facility (or portion of such facility) operated by such agency, directly or by contract, to provide routine or regular health or child care or early childhood development services to children. This does not apply to any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to drugs or alcohol, or any private residence. Individuals in violation are subject to a \$1,000 fine, administrative compliance, or both.

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