



## **INSTRUCTIONS FOR COMPLETION OF FORM CB - 496**

### **TITLE IV-E PROGRAMS QUARTERLY FINANCIAL REPORT**

**(Foster Care, Adoption Assistance and Guardianship Assistance Programs)**

**Paperwork Burden Statement.** According to the Paperwork Reduction Act, as amended, no response is required to a collection of information request unless it displays a valid OMB Control Number. The valid OMB control number for Form CB-496 is 0970-0205. Public reporting burden for this collection of information is estimated to average 20 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503

### **General Instructions**

**Applicability:** Completion of this report is required by each State and Indian Tribe, Tribal organization and Tribal consortia (hereafter “Tribe”) with an approved title IV-E plan to administer the Foster Care, Adoption Assistance or Guardianship Assistance Program under title IV-E of the Social Security Act (hereafter “the Act”). Some information required on this report is applicable **ONLY** to State programs or **ONLY** to Tribal programs. These items are clearly identified on the form and in these instructions.

The information reported on this form is reviewed by various components of the Administration for Children and Families (ACF) to award funds, determine the allowability of reported expenditures and to provide reports to Congress. Determinations regarding whether reported expenditures are eligible for Federal funding under title IV-E will be made in accordance with applicable Federal statute, regulations and policy.

***These instructions are intended to assist in the completion of this form and clarify the applicable Federal statutes, regulations and policies. Where a conflict exists, this form and these instructions do not supersede such documents.***

**Reporting Format:** Round all monetary entries to the nearest dollar, do not include cents. Data regarding the number of children assisted should also be rounded to the nearest whole number.

**Due Dates: Parts 1-3** of this form must be submitted quarterly within 30 days of the end of each fiscal quarter, i.e., **no later than January 30, April 30, July 30 and October 30**, respectively. **Part 4** of this form must be submitted annually within 30 days of the end of the fourth quarter of the federal fiscal year, i.e., **no later than October 30<sup>th</sup>**.

**Submission:** States and Tribes are required to submit this form electronically through the ACF On-Line Data Collection (OLDC) system, which requires pre-registration and the use of an approved digital signature. Once submitted through OLDC, a duplicate paper copy **must not** be submitted either by mail, email or fax.

For additional information, see Office of Grants Management Action Transmittal, OGM-AT-13-01, dated September 25, 2013. This document also provides instructions on requesting a one-year waiver from online reporting in the event any State or Tribe is able to clearly demonstrate a

lack of internet access, computer capacity or other circumstance that prevents electronic filing of Form CB-496. If the request for a waiver is approved, instructions for submitting a paper copy of this report will be provided at that time.

**Signatures:** This report must be electronically signed and dated by the State or Tribal official responsible for the administration of the title IV- E programs or other official responsible for the financial administration of these programs. The individual signing at the end of Part 1 is certifying to the correctness and accuracy of the information on Parts 1-3 of this reporting form and on any accompanying documents. This individual is also certifying that any amount shown as the Tribal/State share of expenditures is or will be available to meet the non-federal share of expenditures for the quarter indicated as prescribed by law.

For report submissions that also include Part 4, a second electronic signature is required at the end of Part 4. This signature is, likewise, certifying to the correctness and accuracy of the information on Part 4 or on any accompanying documents only. Additionally, the Part 4 certification establishes that the reported expenditures consist of non-federal funds which supplement, not supplant, any federal or non-federal funds used to provide any service under titles IV-B or IV-E.

**Variations.** (*THIS PROVISION IS NOT APPLICABLE TO TRIBES.*) On an attached page, States must submit a detailed explanation of any increase or decrease greater than five percent for data elements reported in columns A or E for any line of Sections A, B, or C, and for both actual and estimated number of children counts for any line of Section D of Part 1 as compared to the same element on the Part 1 report submitted for the immediately preceding quarter. (See the Part 2 column E instructions for information reporting requirements for any prior quarter adjustments.) The explanation should include but is not limited to details relating to changes in number of children or type of placement, number of staff or administrative activity, or number of trainees or type of training.

**Revisions:** If the State or Tribe needs to change or correct its submission of this report after the original copy is submitted by the due date indicated above, a revised report may be submitted. However, a revised report will not be accepted after the expenditures reported in the original submission have been used in the calculation of a quarterly grant award - usually within 90 days after the close of the "current quarter." Any additional claims or other adjustments that must be reported after that time must be included as a "prior quarter adjustment" on a subsequent "claiming quarter" expenditure report, within the limits of any time constraints imposed by law or regulation. Revisions to the "next quarter" estimates will be accepted only in extraordinary circumstances. (Note: An exception to this restriction will be made where a delay in the reporting of an increasing adjustment will cause the claim to be filed beyond the two-year filing deadline under Section 1132 of the Act.)

**For Congressional reporting purposes, no re-submissions, revisions or adjustments of expenditure reports submitted for any quarter of the fiscal year will be accepted by ACF later than December 31 - 3 months after the end of that Federal fiscal year. Only data received by ACF as of that date will be used in the publication of statistical data for that fiscal year.**

## Part 1: Expenditures and Estimates (Including Caseload Data)

### Definitions:

**Expenditures (Columns A, B, C and D).** Expenditures are actual payments made to vendors, service providers and contractors or actual payments for administrative, personnel, or other cost items. Include also indirect costs allocable to the quarter being reported in accordance with an approved or pending cost allocation plan or negotiated indirect cost rate.

To be allowable, all amounts reported must be expenditures made under the State or Tribe's approved title IV-E plan for administration, training and systems costs or for payments made on behalf of children determined eligible for title IV-E. Amounts reported must be in accordance with all applicable statutes, regulations or policies, and, where necessary, using the methodologies in an approved or pending public assistance cost allocation plan (States), an approved child welfare cost allocation methodology (Tribes), negotiated indirect cost rate or other required submission. The terms "expenditure" and "cost" are used interchangeably in these instructions.

Expenditure estimates are not acceptable in these columns. "Advances" of funds to another State or Tribal agency, a local agency or a private entity are not considered expenditures for these purposes. The amounts reported in these columns must be actual, verifiable transactions supported by readily available accounting records and source documentation or an approved cost allocation plan or an indirect rate agreement, as applicable.

Expenditures are considered made on the date the payment occurs, regardless of the date of receipt of the good or performance of the service. For those programs that provide for State or Tribal administration, the date of this transaction by the title IV-E State or Tribal agency governs; for States or Tribes with programs that are administered by a local jurisdiction and are supervised by the State or Tribe, the date of this transaction by the county, city or other local agency governs. Indirect costs are allocable in accordance with the cost allocation plan or indirect rate agreement, and are considered to be "expended" in the quarter to which they are allocated.

- **Total (Columns A, C and E).** This includes all expenditures and estimates for each cost item, including both Federal and Tribal/State share components.
- **Federal Share (Columns B, D and F).** This is the Federal portion of expenditures, payments or estimates as reported on each line of this report, as computed using the appropriate Federal Medical Assistance Percentage (FMAP) or Federal financial participation (FFP) rate for each line item as described in these instructions.
- **Non-Federal Share. State or Tribal Share. (Lines 19, 20, 29, 30, 39, 40)** In accordance with its approved State or Tribal plan, this is the State's or Tribe's required portion of total expenditures reported in Columns A and C. This is also the required portion of the estimated expenditures reported in Column E that the State or Tribe is certifying are or will be available for the non-Federal share of program costs. The Non-Federal share typically consists of grantee appropriated monies raised from non-Federal revenue sources. For Tribal programs, a portion of the Non-Federal share may also consist of in-kind expenditures (or contributions) from third party sources. Federal funds specifically authorized by Federal statutes to be used as match for other Federal

programs, including the title IV-E program, may constitute Tribal or State share in accordance with the applicable statute.

- **Third Party In-Kind Expenditures (or Contributions).** These include fairly evaluated monetary values (see Federal regulations at 45 CFR 92.24) attributable to items (e.g. plants, equipment, administration) or services used for program purposes and provided by sources other than the agency administering the program.
  - Tribes are specifically permitted by statute (Section 479B(c)(1)(D) of the Act) to use third party in-kind expenditures (or contributions) from certain sources as a portion of the Tribal share of administrative and training costs for these programs under title IV-E.
  - *States are not permitted to use third party in-kind expenditures (or contributions) as a source of the State share of funds for the Foster Care, Adoption Assistance or Guardianship Assistance programs under title IV-E. (See Child Welfare Policy Manual, section 8.1F, Q#2).*
- **Current Quarter Claims (Columns A and B).** This is the Total and the Federal share of expenditures made in or allocated to the "Current (Claiming) Quarter" being reported. The "Current Quarter" is the quarter that just ended, for which expenditures are being reported and for which Federal funds are being claimed in these columns.
- **Prior Quarter Adjustments (Columns C and D).** These include the Total and the Federal share of expenditures made in or allocated to a previous quarter that were either unreported or incorrectly reported on an earlier report. A "Prior Quarter" is any quarter that ended prior to the start of the current quarter for which expenditures are being reported and for which Federal funds are being claimed in these columns. The "net" amount – combining increasing and decreasing claims – is reported on each line in Columns C and D. The individual increasing and decreasing claims are detailed and itemized on Part 2 of this report.

**Reporting Deadline.** In accordance with Section 1132 of the Act and Federal regulations at 45 CFR Part 95 Subpart A, increasing prior quarter adjustments must be reported by the IV-E agency and received by this agency within 2 years of the last day of the fiscal quarter in which the expenditure was made. Unless the title IV-E agency meets one of the criteria for an exception as stated in the regulation, claims for increasing prior quarter adjustments that fail to meet this deadline are subject to disallowance. There is no deadline for submission of decreasing prior quarter adjustments.

**Estimates (Columns E and F).** In accordance with the provisions of Section 474(b)(1) of the Act, this is the Total and Federal share of expenditures the State or Tribe anticipates will be made in the upcoming quarter. The "Next (Estimating) Quarter" is the quarter about to begin where projected total expenditures and the calculated Federal share are being reported in these columns. These estimates should be based on historical trends, including seasonal, economic or other variations, and should include any costs applicable to a prior quarter for which payments are expected to be made in the next quarter. The ending date of the next quarter is always six months after the ending date of the current quarter.

**FMAP Rate.** A Federal Medical Assistance Percentage (FMAP) rate is used by a State or Tribe in determining the Federal share of expenditures for assistance payments under the Foster Care, Adoption Assistance and Guardianship Assistance programs.

**State FMAP Rates.** These rates are calculated and published annually in the Federal Register by the Department of Health and Human Services pursuant to section 1905(b) of the Act. These rates, ranging from 50 to 83 percent, are based on the relative per capita income of each State.

**Tribal FMAP Rates.** In accordance with section 474(a) and 479(B)(d) of the Act these rates are calculated for a Federally-recognized Tribe that participates in title IV-E programs either through direct administration with an approved title IV-E Tribal plan or through an agreement or contract with one or more States. The calculation of the Tribal FMAP rate is based on the relative per capita income of each Tribe's service population.

- When completing this report, any Tribe that directly operates a title IV-E program through an approved title IV-E Tribal Plan will use either its own calculated FMAP rate or the FMAP rate calculated for the State in which it is located, whichever rate is higher.
- When completing this report, any State that operates a title IV-E program that includes Tribal participants through an agreement or contract with that Tribe, will use either its own calculated FMAP rate or the FMAP rate calculated for the Tribe, whichever rate is higher, for those maintenance assistance payments made to the participants from that Tribe. (Where multiple agreements exist with multiple Tribes, this comparison and calculation must be done separately under each agreement.)

**FFP Rate.** The Federal Financial Participation (FFP) rate applicable to a program or certain cost categories within a program is specified by statute and is used to calculate the Federal share of program expenditures made by the State or Tribe. The Federal share of administrative expenditures for the programs on this report is calculated at the 50 percent FFP rate, while the Federal share of expenditures for training is calculated at FFP rates of up to 75 percent, depending on the nature of the training and the fiscal year in which the costs were incurred.

**Foster Care Candidates (Pre-Placement).** Children are considered to be in a "pre-placement" status when determined by the title IV-E agency as being at imminent risk of removal from home. This is evidenced by the agency either pursuing his/her removal from the home or making reasonable efforts to prevent such removal and a decision that the out of home placement for the child will be a foster care setting. Appropriate documentation supporting this determination as prescribed in Departmental policy (see the ACF Children's Bureau Child Welfare Policy Manual) must be maintained and the title IV-E agency must make a determination (or redetermination) as to whether the child remains at imminent risk of removal from the home at least every 6 months. A child may not be simultaneously both in foster care placement and a candidate for foster care.

**Foster Care (In-Placement).** Children are considered to be "in-placement" in a foster care setting where 24-hour substitute care is provided for children placed away from their parents or guardians and for whom the title IV-E agency has placement and care responsibility. This includes, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and pre-adoptive homes. A child is in foster care in accordance with this definition regardless of whether the foster care facility is licensed and payments are made by the State/Tribal or local agency for the care of the child; whether adoption subsidy payments are being made prior to the finalization of an adoption; or whether there is Federal funding of any payments that are made.

**Federally-Recognized Tribe.** This includes any Indian Tribe, Band, Nation, or other organized group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians. (See Section 4 of the “Indian Self-Determination and Education Assistance Act of 1975.”)

**Demonstration Project Costs.** These include amounts for performance of project development, evaluation or operations that are chargeable or allocable to a title IV-E demonstration project which has been approved under Section 1130 of the Act and are in accordance with the approved terms and conditions for that project. Demonstration project costs are reported in Part 3 and the fundable totals are then summarized on the appropriate line (by applicable program) in Part 1.

**S/TACWIS.** In accordance with federal regulations at 45 CFR 1355.51 a statewide automated child welfare information system (SACWIS) or a tribalwide automated child welfare information system (TACWIS) which are collectively referenced as a S/TACWIS means an active automated data processing system or project that ACF had classified as a S/TACWIS on or before July 31, 2016 and:

- (i) ACF approved a procurement to develop a S/TACWIS; or
- (ii) The applicable state or tribal agency approved a development procurement for a S/TACWIS below the thresholds of 45 CFR 95.611(a).

**CCWIS.** In accordance with federal regulations at 45 CFR 1355.51 a comprehensive child welfare information system (CCWIS) is an automated data processing system or project meeting all project requirements in § 1355.52 and the design requirements in § 1355.53(a). The CCWIS regulations are effective as of August 1, 2016 and replace the former S/TACWIS regulations. States or tribes may elect to build a new CCWIS on or after August 1, 2016 or transition an existing automated data processing system to a CCWIS during a two year transition period that runs through July 31, 2018.

## Part 1 Report Heading

- Enter the name of the State or Tribe.
- Enter the reporting periods, including the ended date of the current (claiming) quarter and the ending date of the next (estimating) quarter.
- Enter the report type. Check the box to indicate whether this is a new report (first submission for that quarter) or a revision of a report previously submitted for the same quarter.

## Part 1 Line by Line Instructions

### SECTION A: FOSTER CARE

**Line 1. Maintenance Assistance Payments (FMAP Rate).** Enter the payments, as defined in Section 475(4)(A) of the Act, made on behalf of children determined to be eligible for Foster Care services under title IV-E.

Amounts entered on this line are only those payments made directly by the title IV-E agency. This must be a “net” amount; reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds. etc.). Payments made under the terms of a Tribal-

State title IV-E agreement are reported separately on Line 2. Title IV-E maintenance assistance payments on behalf of children participating in an operational title IV-E Foster Care demonstration project are reported in Part 3 of this form to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project's target population (see approved project terms and conditions).

The Federal share of Line 1 payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

❖ *(Enter this amount directly on this form.)*

**Line 2. Tribal-State Title IV-E Agreement Maintenance Assistance Payments (at the applicable FMAP Rate).**

- **TRIBES: Leave this line blank.**
- **STATES: This line is applicable only to States that have title IV-E agreements with Tribes.**

Enter the payments, as defined in Section 475(4)(A) of the Act, made on behalf of children determined to be eligible for Foster Care services under title IV-E.

Amounts entered on this line are only those payments made by the State title IV-E agency in accordance with the terms of Tribal-State title IV-E agreements with one or more Federally-recognized Tribes. This must be a "net" amount; reduced by any income specifically attributable to these payments (e.g. returned checks, overpayment refunds etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribal FMAP rate, whichever is higher. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe.

If a State title IV-E agency is operating a title IV-E Foster Care demonstration project, children served through a Tribal-State title IV-E agreement are treated for financial reporting purposes as outside of the project unless specifically identified as included in the approved project terms and conditions.

If the State does not have a title IV-E agreement with any Federally-recognized Tribe no entries should be made on this line.

❖ *(Enter this amount directly on this form.)*

**Line 3. Federal Share of Child Support Collections.** Enter the Federal share of Child Support Collections.

- **TRIBES: Leave this line blank.**
- **STATES: Complete this line.**
- ❖ *(The Current Quarter amount in Column B is carried from the amount calculated on Line 10a, Column G, of Form OCSE-34, the "Child Support Enforcement Program Quarterly Collection Report")*
- ❖ *The Next Quarter Estimate in Column F is determined based on historical trends*

*Note: Amounts entered on this line must include child support collections on behalf of title IV-E eligible children on whose behalf maintenance assistance payments have been reported in either Part 1 or Part 3 of this form.*

**Line 4. Net Maintenance Assistance Payments.** Enter the net amount of assistance payments being claimed and estimated for Federal funding in Columns B, D and F, respectively.  
❖ *(Calculated as the sum of Lines 1 and 2 minus Line 3)*

**Line 5. In-Placement Administrative Costs - Case Planning and Management.** Enter the amount expended for title IV-E eligible children in a Foster Care placement for the development, review or revision of case plans or the supervision or management of cases. Case planning activities largely comport with the “case plan” and “case review system” requirements as defined in Section 475(1) and (5), respectively, of the Act. Examples of activities included within case management are referral to services, preparation for and participation in judicial proceedings and placement of the child and accessing the Federal Parent Locator Service (FPLS) to search for relatives. It should be noted that costs incurred for similar activities on behalf of children not in foster care but determined as candidates for title IV-E Foster Care must be reported separately on Line 10.

Any title IV-E Foster Care administrative costs (Lines 5-10) incurred on behalf of children participating in an operational title IV-E Foster Care demonstration project are reported in Part 3 of this form (rather than on these lines) to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project’s target population (see approved project terms and conditions).

❖ *(Enter this amount directly on this form.)*

**Line 6. In-Placement Administrative Costs - Eligibility Determination.** Enter the amount directly related only to those activities involved in the actual verification and documentation of title IV-E eligibility on behalf of children in a foster care placement. Costs for staff responsible for the determination of eligibility for a number of programs including title IV-E Foster Care must be allocated to the appropriate benefiting program. Activities related to judicial determinations, placement of the child or periodic court or administrative reviews are not a component of eligibility determination costs.

❖ *(Enter this amount directly on this form.)*

**Line 7. In-Placement Administrative Costs - Provider Management.** Enter the amount of expenditures for foster care provider-related in-placement foster care administrative activities, not included in Lines 5 and 6, whose costs may be directly chargeable or partially allocable to title IV-E Foster Care. Examples of provider management type activities include foster parent recruitment; the licensing/approval of foster homes and child care institutions; the conduct of criminal records and child abuse registry checks of a foster family home or an institution; the holding of foster care related fair hearings; and the operation of a rate setting or rate monitoring unit.

❖ *(Enter this amount directly on this form.)*

**Line 8. In-Placement Administrative Costs – Agency Management.** Enter the amount of expenditures for any other allowable foster care in-placement program management administrative activities incurred by the title IV-E agency, not included in Lines 5, 6 or 7, whose costs may be directly chargeable or partially allocable to title IV-E Foster Care. Pre-placement administration is performed on behalf of children prior to entry into foster care and is, therefore, reported separately on Line 10. Examples of agency program management activities potentially associated with the administration of title IV-E Foster Care include: the allocated share of automated data processing activities not associated with a S/TACWIS (see instructions for Lines 11-14 for CCWIS transitional period information) or a CCWIS; policy development; data collection and reporting; financial management (i.e. processing of checks and preparation of

claiming schedules); administration associated with the provision of training; operation of a quality assurance system; and a proportionate share of related agency overhead.

Expenditures reported on this line must be the net amount after being offset by the total amount of any income that may result from the operation of the program (e.g., fees charged for the conduct of out-of-state requested home studies).

❖ *(Enter this amount directly on this form.)*

**Line 9. Total In-Placement Foster Care Administrative Costs.** Enter the total amount of title IV-E Foster Care (in-placement) administrative expenditures being claimed for Federal funding. (Expenditures for the development and operation of a S/TACWIS or CCWIS includes incurring costs for title IV-E Foster Care and certain other programs in accordance with requirements in Federal regulations at 45 CFR 1355.53. These costs are reported separately on Lines 11-14 and are not included in the amount reported as in-placement foster care administration.)

❖ *(Calculated as the sum of Lines 5 through 8.)*

**Line 10a. Candidate Administrative Costs - Pre-Placement Activities.** Enter the amount for allowable pre-placement activities applicable to individual children who have been determined as candidates for placement in title IV-E-Foster Care. Such a child must be at imminent risk of removal from home as evidenced by the title IV-E agency either pursuing his/her removal from the home or making reasonable efforts to prevent such removal, and redetermining at least every six months that the child remains at imminent risk of removal from the home. All allowable administrative costs on behalf of children not in placement must be reported on this line.

❖ *(Enter this amount directly on this form.)*

**Line 10b. Sex Trafficking Administrative Costs.** Enter the amount of expenditures for allowable sex trafficking administrative costs (see list of allowable activities below) made on behalf of any child or youth in the placement, care or supervision of the title IV-E agency who is at-risk of becoming a sex trafficking victim or who is identified as a sex trafficking victim as per sections 471(a)(9) and (34) of the Act. Such children include those who are not removed from home; those who have run away from foster care and are under age 18 or such higher age elected under section 475(8) of the Act; and youth not in foster care who are receiving services under the Chafee Foster Care Independence Program (CFCIP) and at the option of the agency, youth under age 26 who were or were never in foster care. In addition, allowable expenditures made on behalf of any child missing from foster care for the purpose of administering section 471(a)(35) of the Act are also reported as sex trafficking administrative costs.

Activities for which title IV-E funding is available as sex trafficking administrative costs beginning for periods in federal fiscal year (FFY) 2015 are as follows:

- Developing and implementing policies and procedures to identify, document in agency records, and determine appropriate services for victims of sex trafficking;
- Conducting sex trafficking screenings and documenting victims of sex trafficking in agency files;
- Determining appropriate services for individuals identified as such victims; and
- Completing reports required for law enforcement and ACF of children or youth who the agency identifies as being a sex trafficking victim.
- Developing and implementing protocols to locate and assess children missing from foster care, including screening the child to identify if the child is a possible sex trafficking victim.

Since the title IV-E agency is not limited to performing the activities described above on behalf of individuals meeting title IV-E eligibility requirements, there is no need to apply a title IV-E foster care participation rate in allocating allowable costs to the title IV-E foster care program.

Title IV-E funding is not available for expenditures to conduct investigations of allegations of sex trafficking or other forms of child abuse or neglect or to provide social services to these or other children or youth and must not be reported on this line or elsewhere in this Part. (To the extent authorized under an approved title IV-E demonstration project, any such service expenditures are to be reported in Part 3 and then summarized on line 17). Additionally, foster care administrative costs (both in-placement and candidate) for activities other than those defined above as “sex trafficking administrative costs” or “in-placement administrative costs - eligibility determination” must be cost allocated to assure that title IV-E reported claims and estimates are limited to amounts for only those children determined as title IV-E eligible.

State and tribal agencies operating a title IV-E foster care demonstration project should note that expenditures for the activities described as reportable on this line are administrative costs outside of those described in the approved terms and conditions for the project as subject to the applicable cost neutrality limit and must, therefore, be reported on Line 10b rather than in Part 3. ❖ *(Enter this amount directly on this form.)*

**Line 11. S/TACWIS or CCWIS Operational Costs.** Enter the expenditures made for the operation and maintenance of an automated system that is determined by ACF to meet the requirements to be designated as a S/TACWIS or a CCWIS in accordance with either: (1) the terms of an approved advance planning document (APD); (2) the terms of an approved operational advance planning document (OAPD) for a partially completed system; or (3) in the instance where an APD is no longer required for a completed system (APD has been closed out by ACF). Reported operational expenditures must be allocated in accordance with Federal regulations at 45 CFR 1355.57 through use of an approved cost allocation plan as per 45 CFR 95.507 (States) or an approved child welfare cost allocation methodology (Tribes).

Where an APD is required, no expenditures may be claimed on this line unless the APD has been approved in accordance with the provisions of 45 CFR Part 95 Subpart F.

Do not include:

- S/TACWIS or CCWIS developmental planning, design, development, implementation or enhancement costs. These expenditures are reported on Line 12, 13 or 14 depending on the existence and status of an APD.
- Automated data processing (ADP) costs associated with the development, purchase or operation of non-S/TACWIS or non-CCWIS systems used in day-to-day office procedures. These are routine administrative costs that are reported on Line 8.
- If the title IV-E agency has an approved and operational title IV-E Foster Care demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project’s approved project terms and conditions.

#### CCWIS Transitional Period for S/TACWIS Systems and Projects

For costs paid or estimated for periods beginning on or after **August 1, 2016 and continuing through July 31, 2018**, transitional rules in accordance with the Comprehensive Child Welfare Information System (CCWIS) federal regulation are applicable. This regulation was published in

the Federal Register on Thursday June 2, 2016 and is available here:

<http://www.gpo.gov/fdsys/pkg/FR-2016-06-02/pdf/2016-12509.pdf>.

During this transitional period, SACWIS or TACWIS (collectively defined as a S/TACWIS at 45 CFR 1355.51) operational costs may continue to be reported in accordance with the approved cost allocation plan. Any approved CCWIS operational costs may also be reported on this line. If a title IV-E agency elects to operate a non-CCWIS such costs may not be claimed as S/TACWIS/CCWIS operational costs.

For costs paid or estimated for periods beginning on or after **August 1, 2018**, only CCWIS qualifying amounts may be reported on this line. Therefore, if a title IV-E agency does not take action by submitting an Advance Planning Document, or if applicable, a Notice of Intent (NOI) to ACF to transition its S/TACWIS to a CCWIS, it may not continue to report costs for operating that system as CCWIS operational costs for periods beginning on or after August 1, 2018.

❖ *(Enter this amount directly on this form.)*

**Line 12. S/TACWIS or CCWIS Developmental Costs (Under the Terms of an Approved APD) - Project 1.**

Enter on this line expenditures made in accordance with the terms of an approved APD for the planning, design, development, implementation or development enhancement (e.g., a change of software or hardware functionality beyond their original purpose) of an automated S/TACWIS or CCWIS system or project. No expenditures may be claimed on this line unless approved in accordance with the provisions of 45 CFR Part 95 Subpart F. Where a State or Tribe has more than one S/TACWIS or CCWIS project with approved APDs, the amounts reported on this line are those attributable to the initial S/TACWIS or to a developmental effort designated as S/TACWIS or CCWIS "Project 1."

Do not include:

- Expenditures made under an approved APD for a S/TACWIS or CCWIS "Project 2." Those expenditures are reported on Line 13.
- Expenditures made for further development of a S/TACWIS or CCWIS that are not subject to an approved APD. These expenditures are reported on Line 14.
- Operation and maintenance costs. Those costs are reported on Line 11.
- ADP costs associated with the development, purchase or operation of non-S/TACWIS or non-CCWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that are reported on Line 8.

CCWIS Transitional Period for S/TACWIS Systems and Projects

For costs paid or estimated for periods beginning **on or after August 1, 2016 and continuing through July 31, 2018**, transitional rules in accordance with the Comprehensive Child Welfare Information System (CCWIS) federal regulation are applicable. This regulation was published in the Federal Register on Thursday June 2, 2016 and is available here:

<http://www.gpo.gov/fdsys/pkg/FR-2016-06-02/pdf/2016-12509.pdf>.

During this transitional period, SACWIS or TACWIS (collectively defined as a S/TACWIS at 45 CFR 1355.51) developmental costs associated with Project 1 (Line 12) may continue to be reported in accordance with the approved cost allocation methodology. Any approved Project 1 (CCWIS, SACWIS or TACWIS) developmental costs should thus be reported on this line. Any approved Project 2 (CCWIS, SACWIS or TACWIS) developmental costs should be reported on line 13 (see instructions below). If a title IV-E agency elects to develop a non-CCWIS such costs may not be claimed as S/TACWIS developmental costs. If a state or tribe elects to build a new system as a CCWIS, a new project number would be assigned. If the state or tribe elects

to transition an existing S/TACWIS to a CCWIS, the project number would remain the same as the current S/TACWIS project number.

For costs paid or estimated for periods beginning **on or after August 1, 2018**, only CCWIS qualifying amounts may be reported on this line. Therefore, if a title IV-E agency does not take action by submitting an Advance Planning Document, or if applicable, a Notice of Intent (NOI) to ACF to transition its S/TACWIS to a CCWIS, it may not continue to report costs for developing that system as either CCWIS Project 1 or Project 2 developmental costs for periods beginning on or after August 1, 2018.

❖ *(Enter this amount directly on this form.)*

**Line 13. S/TACWIS or CCWIS Developmental Costs (Under the Terms of an Approved APD) - Project 2.** If a State or Tribe has initiated more than one S/TACWIS or CCWIS project, enter on this line expenditures made in accordance with the terms of an approved APD for “Project 2” for the planning, design, development, implementation or development enhancement (e.g. a change of software or hardware functionality beyond their original purpose) of an automated S/TACWIS or CCWIS system or project. No expenditures may be claimed on this line unless approved in accordance with the provisions of 45 CFR Part 95 Subpart F. Where a State or Tribe does not have an approved APD designated for a S/TACWIS or CCWIS Project 2, no entry should be made on this line.

Do not include:

- Expenditures made under an approved APD for a S/TACWIS or CCWIS “Project 1.” Those expenditures are reported on Line 12
- Expenditures made for further development of a S/TACWIS or CCWIS that are not subject to an approved APD. These expenditures are reported on Line 14.
- Operation and maintenance costs. These costs are reported on Line 11.
- ADP costs associated with the development, purchase, or operation of non-S/TACWIS or non-CCWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that are reported on Line 8.

#### CCWIS Transitional Period for S/TACWIS Systems and Projects

For costs paid or estimated for periods beginning **on or after August 1, 2016 and continuing through July 31, 2018**, transitional rules in accordance with the Comprehensive Child Welfare Information System (CCWIS) federal regulation are applicable. This regulation was published in the Federal Register on Thursday June 2, 2016 and is available here:

<http://www.gpo.gov/fdsys/pkg/FR-2016-06-02/pdf/2016-12509.pdf>.

During this transitional period, S/TACWIS developmental costs associated with Project 2 (line 13) may continue to be reported in accordance with the approved cost allocation methodology. Any approved Project 2 (CCWIS, SACWIS or TACWIS) developmental costs should thus be reported on this line. If a state or tribe elects to build a new system as a CCWIS, a new project number would be assigned. If the state or tribe elects to transition an existing S/TACWIS to a CCWIS, the project number would remain the same as the current S/TACWIS project number.

In the event that there is both already a Project 1 & 2 for S/TACWIS and the state or tribe has initiated a new CCWIS effort as Project 3 where costs are being reported, these Project 3 costs should also be reported on line 13. It is requested that a supporting workpaper be attached providing a breakout of any such Project 3 costs.

If a title IV-E agency elects to develop a non-CCWIS such costs may not be claimed as developmental costs as Project 1, 2, or 3.

For costs paid or estimated for periods beginning on or after August 1, 2018, only CCWIS qualifying amounts may be reported on this line. Therefore, if a title IV-E agency does not take action by submitting an Advance Planning Document, or if applicable, a Notice of Intent (NOI) to ACF to transition its S/TACWIS to a CCWIS, it may not continue to report costs for developing that system as CCWIS Project 1, 2, or 3 developmental costs for periods beginning on or after August 1, 2018.

❖ *(Enter this amount directly on this form.)*

**Line 14. S/TACWIS or CCWIS Developmental Costs - No APD Required.** Expenditures made by a title IV-E agency that has completed a S/TACWIS or CCWIS development APD project and/or has initiated further S/TACWIS or CCWIS development work for activities and costs which do not meet the applicable threshold requiring prior written approval (see 45 CFR 95.611). An example of such an activity could be the development of modifications to existing system screens to reflect statutorily or other required changes or limited changes to transition a fully compliant S/TACWIS to a CCWIS. Cumulative expenditures reported on this line should be carefully tracked by the title IV-E agency to assure that the applicable prior approval threshold has not been reached.

Do not include:

- Expenditures made under an approved APD for a S/TACWIS or CCWIS “Project 1” or “Project 2” (including any “Project 3” amounts). Those expenditures are reported on Lines 12 and 13, respectively.
- Operation and maintenance costs. These costs are reported on Line 11.
- ADP costs associated with the development, purchase or operation of non-S/TACWIS or non-CCWIS systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs that are reported on Line 8 to the extent allocable to title IV-E Foster Care.

#### CCWIS Transitional Period for S/TACWIS Systems and Projects

For costs paid or estimated for periods beginning on or after **August 1, 2016 and continuing through July 31, 2018**, transitional rules in accordance with the Comprehensive Child Welfare Information System (CCWIS) federal regulation are applicable. This regulation was published in the Federal Register on Thursday June 2, 2016 and is available here:

<http://www.gpo.gov/fdsys/pkg/FR-2016-06-02/pdf/2016-12509.pdf>.

During this transitional period, S/TACWIS developmental costs may continue to be reported in accordance with the approved cost allocation plan. Any approved (CCWIS, SACWIS or TACWIS) developmental costs not requiring an APD should thus be reported on this line. In the event that there are such costs for both a S/TACWIS and a CCWIS project being reported, it is requested that a supporting workpaper be attached providing a breakout of the reported costs.

If a title IV-E agency elects to develop a non-CCWIS such costs may not be claimed as developmental costs.

For costs paid or estimated for periods beginning **on or after August 1, 2018**, only CCWIS qualifying amounts may be reported on this line. Therefore, if a title IV-E agency does not take action by submitting an Advance Planning Document, or if applicable, a Notice of Intent (NOI) to ACF to transition its S/TACWIS to a CCWIS, it may not continue to report costs for developing that system as CCWIS developmental costs for periods beginning on or after August 1, 2018.

❖ *(Enter this amount directly on this form.)*

**Line 15. Training Costs - Staff and Provider (At the 75 percent FFP rate).** Enter the allocated amount of expenditures incurred for the development, delivery or participation in training by eligible individuals. (See 45 CFR 235.63 through 235.66(a) and 1356.60(b)(1)). Eligible individuals include title IV-E agency staff and certain others providing care to children in receipt of title IV-E Foster Care. The training topics must be closely related to one of the examples of allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2). All training activities and costs funded under title IV-E shall be included in the title IV-E agency's training plan for title IV-B.

Do not include:

- Expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible.
- Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allocable to title IV-E Foster Care and qualify as an allowable administrative cost, it should be reported on line 8.
- Foster Care training provided to "professional partners". These expenditures, to the extent allocable to title IV-E, are reported on Line 16.
- If the title IV-E agency has an approved and operational title IV-E Foster Care demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project's approved project terms and conditions.

❖ *(Enter this amount directly on this form.)*

**Line 16. Training Costs - Professional Partner (At Transitional FFP Rates).** Enter the allocated amount of expenditures incurred for the development and delivery of short-term training related to title IV-E Foster Care to eligible participants. Eligible professional partner participants include:

- Tribe/State-licensed or approved child welfare agency staff providing services to children receiving title IV-E assistance;
- Child abuse and neglect court personnel;
- Agency, child or parent attorneys;
- Guardians ad litem; and;
- Court appointed special advocates.

This training must be in accordance with Section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year "transitional" period (see Section 203(b) of P.L. 110-351), as follows:

- 55 percent in FFY 2009;

- 60 percent in FFY 2010;
- 65 percent in FFY 2011;
- 70 percent in FFY 2012;
- 75 percent in FFY 2013 and thereafter.

All training activities and costs funded under title IV-E shall be included in the title IV-E agency's training plan for title IV-B. Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allowable as a title IV-E administrative cost, it should be reported on line 8.

Do not include:

- Foster Care training provided to "staff and providers". These expenditures, to the extent allocable to title IV-E, are reported on Line 15.
  - If the title IV-E agency has an approved and operational title IV-E Foster Care demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project's approved project terms and conditions.
- ❖ *(Enter this amount directly on this form.)*

**Line 17. Demonstration Project Costs.** Enter the amount for approved title IV-E Foster Care demonstration projects authorized under Section 1130 of the Act as computed on Part 3 of this form.

❖ *(This amount is carried from the amount calculated on Part 3, Line 25c of this form.)*

**Line 18. Total Costs.** Enter the total expenditures being claimed for the current quarter (Columns A and B) and for prior quarters (Columns C and D) and the expenditures being estimated for the next quarter (Columns E and F).

❖ *(Calculated as:*

*Columns A and C: Sum of Lines 1 + 2 + 9 through 17;*

*Columns B and D: Sum of Lines 4 + 9 through 17;*

*Column E: Sum of Lines 1 + 2 + 9 through 17; and*

*Column F: Sum of Lines 4 + 9 through 17.)*

**Line 19. Non-Federal (State or Tribal) Share of Total Costs.** Enter in Columns B, D and F the Tribal/State share amount of the total reported costs for the current quarter, prior quarter adjustments and for next quarter estimates. These are the funds that the title IV-E agency has expended in the current or a prior quarter or that it is certifying that will be made available, when needed, for the required Tribal/State share of program costs in the next quarter.

*For States:* Include funds appropriated by the State legislature for these purposes.

*For Tribes:* Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 20)

❖ *(Calculated as:*

*Column B = Line 18, Column A minus Line 18, Column B;*

*Column D = Line 18, Column C minus Line 18, Column D and*

*Column F = Line 18, Column E minus Line 18, Column F.)*

**Line 20. Tribal Share of Costs From Third Party In-Kind Sources.**

- **TRIBES: Complete this line..**
- **STATES: Leave this line blank. This information is not applicable to States.**

Enter in Columns B, D and F the portion of the amount reported on Line 19 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of their share of administrative and training costs. The option for Tribes to partially utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with Section 479B(c)(1)(D) of the Act and applicable regulations.

❖ *(Enter this amount directly on this form.)*

## **SECTION B: ADOPTION ASSISTANCE**

**Line 21. Adoption Assistance Payments (FMAP Rate).** Enter the payments made by the title IV-E agency in accordance with an Adoption Assistance agreement entered prior to the finalization of the adoption on behalf of children with special needs, as defined in Section 473(c) of the Act, determined eligible under title IV-E in accordance with Section 473(a)(2) of the Act.

Amounts entered on this line are only those payments made directly by the title IV-E agency. Payments made under the terms of a Tribal-State title IV-E agreement are reported separately on Line 22. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g., returned checks, overpayment refunds etc.). Title IV-E Adoption Assistance payments on behalf of children participating in an operational title IV-E Adoption Assistance demonstration project are reported in Part 3 of this form to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project’s target population (see approved project terms and conditions).

The Federal share of these payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

❖ *(Enter this amount directly on this form.)*

**Line 22. Tribal-State Title IV-E Agreement Adoption Assistance Payments (Applicable FMAP Rate).**

- **TRIBES: Leave this line blank.**
- **STATES: This line is applicable only to States that have title IV-E agreements with Tribes.**

Enter the payments made in accordance with an Adoption Assistance agreement entered prior to the finalization of the adoption on behalf of children with special needs (as defined in Section 473(c) of the Act) determined eligible under title IV-E in accordance with Section 473(a)(2) of the Act.

Amounts entered on this line are only those payments made by the State title IV-E agency in accordance with the terms of Tribal-State title IV-E agreements with one or more Federally-recognized Tribes. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g., returned checks, overpayment refunds etc.).

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribal FMAP rate, *whichever is higher*. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe.

If a State title IV-E agency is operating a title IV-E Adoption Assistance demonstration project, children served through a Tribal-State title IV-E agreement are treated for financial reporting purposes as outside of the project unless specifically identified as included in the approved project terms and conditions.

If the State does not have a title IV-E agreement with any Federally-recognized Tribe, no entries should be made on this line.

❖ *(Enter this amount directly on this form.)*

**Line 23. Administrative Costs - Agency.** Enter the amount of expenditures for administrative activities allocable to the title IV-E Adoption Assistance Program, in accordance with an approved or pending public assistance cost allocation plan under Federal regulations at 45 CFR Part 95, Subpart E – Cost Allocation Plans (States) or an approved child welfare cost allocation methodology and a negotiated indirect cost rate (Tribes).

Expenditures reported on this line must be a “net” amount, offset by the amount of any income that may result from the operation of the program. (Expenditures for non-recurring administrative costs must be identified separately and reported on Line 24.)

Any title IV-E Adoption Assistance administrative costs (Lines 23-24) incurred on behalf of children participating in an operational title IV-E Adoption Assistance demonstration project are reported in Part 3 of this form (rather than on these Lines) to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project’s target population (see approved project terms and conditions).

❖ *(Enter this amount directly on this form.)*

**Line 24. Administrative Costs - Non-Recurring.** Enter the amount of non-recurring adoption expenses. These are costs incurred in accordance with a title IV-E Adoption Assistance agreement entered into prior to the finalization of the adoption of a child who meets the definition of special needs. (See Section 473 (c) of the Act.) These costs are limited to \$2,000 for each adoptive placement or at a lower limit set by the State or Tribe.

The child does not have to be under the responsibility for placement and care of the title IV-E agency in order for the adoptive parents to be reimbursed for the nonrecurring expenses of adoption. In accordance with 45 CFR 1356.41(i), non-recurring costs include the reasonable and necessary adoption fees, court costs, attorney fees and other expenses which are directly related to the legal adoption of a child with special needs, which are not incurred in violation of Tribal, State or Federal law, and which have not been reimbursed from other sources or funds.

❖ *(Enter this amount directly on this form.)*

**Line 25. Training Costs - Staff and Provider (At the 75 percent FFP rate).** Enter the allocated amount of expenditures incurred for the development, delivery or participation in training by eligible individuals (See 45 CFR 235.63 through 235.66(a) and 1356.60(b)(1)). Eligible individuals include title IV-E agency staff and certain others providing care to children in receipt of title IV-E Adoption Assistance.

The training topics must be closely related to one of the examples of allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2). All training activities and costs funded under title IV-E shall be included in the IV-E agency's training plan for title IV-B.

Do not include:

- Expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible.
  - Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allocable to title IV-E Adoption Assistance and qualify as an allowable administrative cost, it should be reported on line 23.
  - Adoption Assistance training provided to “professional partners”. These expenditures, to the extent allocable to title IV-E, are reported on Line 26.
  - If the IV-E agency has an approved and operational title IV-E Adoption Assistance demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project’s approved project terms and conditions.
- ❖ *(Enter this amount directly on this form.)*

**Line 26. Training Costs - Professional Partner (At Transitional FFP Rates).** Enter the allocated amount of expenditures incurred for the development and delivery of short-term training related to title IV-E Adoption Assistance to eligible participants. Eligible professional partner participants include:

- Tribe/State-licensed or approved child welfare agency staff providing services to children receiving title IV-E assistance;
- Child abuse and neglect court personnel;
- Agency, child or parent attorneys;
- Guardians ad litem; and
- Court appointed special advocates.

This training must be in accordance with Section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year “transitional” period (see Section 203(b) of P.L. 110-351), as follows:

- 55 percent in FFY 2009;
- 60 percent in FFY 2010;
- 65 percent in FFY 2011;
- 70 percent in FFY 2012;
- 75 percent in FFY 2013 and thereafter.

All training activities and costs funded under title IV-E shall be included in the title IV-E agency's training plan for title IV-B.

Do not include:

- Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allowable as a title IV-E administrative cost, it should be reported on line 23.
  - Adoption Assistance training provided to “staff and providers”. These expenditures, to the extent allocable to title IV-E, are reported on Line 25.
  - If the title IV-E agency has an approved and operational title IV-E Adoption Assistance demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project’s approved project terms and conditions.
- ❖ *(Enter this amount directly on this form.)*

**Line 27. Demonstration Project Costs.** Enter the amount for approved demonstration projects for Adoption Assistance authorized under Section 1130 of the Act as computed on Part 3 of this form.

❖ *(This amount is carried from the amount calculated on Part 3, Line 25c of this form.)*

**Line 28. Total Costs.** Enter the total expenditures being claimed for the current quarter (Columns A and B) and for prior quarters (Columns C and D) and the expenditures being estimated for the next quarter (Columns E and F).

❖ *(Calculated as the sum of Lines 21 through 27.)*

**Line 29. Non-Federal (State or Tribal) Share of Total Costs.** Enter in Columns B, D and F the Tribal/State share amount of total reported costs for the current quarter, prior quarter adjustments and for next quarter estimates. These are the funds that the title IV-E agency has expended in the current or a prior quarter or that it is certifying that will be made available, when needed, for the required Tribal/State share of program costs in the next quarter.

*For States:* Include funds appropriated by the State legislature for these purposes.

*For Tribes:* Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 30)

❖ *(Calculated as:*

Column B = Line 28, Column A minus Line 28, Column B;

Column D = Line 28, Column C minus Line 28, Column D and

Column F = Line 28, Column E minus Line 28, Column F.)

**Line 30. Tribal Share of Costs Claimed/Estimated From Third Party In-Kind Sources.**

○ **TRIBES: Complete this line.**

○ **STATES: Leave this line blank. This information is not applicable to States.**

Enter in Columns B, D and F the portion of the amount reported on Line 19 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of their share of administrative and training costs. The option for Tribes to utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with Section 479B(c)(1)(D) of the Act and applicable regulations.

❖ *(Enter this amount directly on this form.)*

## **SECTION C: GUARDIANSHIP ASSISTANCE**

**NOTE:** This section is ONLY to be completed by those States or Tribes that have an approved title IV-E plan to operate a title IV-E Guardianship Assistance Program (GAP) or by States that are continuing to incur title IV-E Post-Demonstration Guardianship expenditures after the termination of a title IV-E Guardianship Assistance demonstration project.

**Line 31. Guardianship Assistance Payments (FMAP Rate).**

Enter the payments made on behalf of children determined to be eligible for the title IV-E Guardianship Assistance Program (GAP) in accordance with Section 473(d) of the Act.

Amounts entered on this line are only those payments made directly by the title IV-E agency. Payments made under the terms of a Tribal-State title IV-E agreement are reported separately

on Line 32. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g., returned checks, overpayment refunds etc.).

Under the GAP, these payments must be in conformance with a written, binding kinship guardianship assistance agreement entered into with the prospective relative guardian prior to the legal guardianship (See Section 473(d)(1)(A) of the Act). Once the relative guardian has committed to care for the child and has assumed legal guardianship for the child consistent with the provisions of Sections 471(a)(28) and 475(7) of the Act, the title IV-E agency may then pay kinship guardianship assistance payments on behalf of a child to the relative guardian. Payments may begin no earlier than the first day of the quarter in which the approved title IV-E plan amendment to implement the GAP was submitted to ACF by the State or Tribe (See Sections 471(a)(28) and 473(d)(1)(A) of the Act).

Payments reported on this line may include those made on behalf of newly established title IV-E kinship guardianships as well as those made on behalf of any title IV-E eligible kinship guardianships where agreements were established prior to the GAP title IV-E plan submission. These agreements must meet, or must be amended to meet, the requirements of Section 473(d)(1)(B) and (C) of the Act before these payments can be reported on this line. Payments made prior to the effective date of the approved title IV-E plan must not be reported.

Title IV-E guardianship assistance payments on behalf of children participating in an operational title IV-E Guardianship Assistance demonstration project are reported in Part 3 of this form to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project’s target population (see approved project terms and conditions).

The Federal share of these payments (as entered in Columns B, D and F) is computed using the applicable FMAP rate for the State or Tribe.

❖ *(Enter this amount directly on this form.)*

**Line 32. Tribal-State Agreement Title IV-E Guardianship Assistance Payments (Applicable FMAP Rate).**

- **TRIBES: Leave this line blank.**
- **STATES: This line is applicable only to States that have title IV-E agreements with Tribes.**

Enter the payments made on behalf of children determined to be eligible for the GAP in accordance with Section 473(d) of the Act.

Amounts entered on this line are only those payments made by the State title IV-E agency in accordance with the terms of Tribal-State title IV-E agreements with one or more Federally-recognized Tribes. This must be a “net” amount, reduced by any income specifically attributable to these payments (e.g., returned checks, overpayment refunds etc.).

Under the GAP, these payments must be in conformance with a written, binding kinship guardianship assistance agreement entered into with the prospective relative guardian prior to the establishment of legal guardianship per Section 473(d)(1)(A) of the Act. Once the relative guardian has committed to care for the child and has assumed legal guardianship for the child consistent with Sections 471(a)(28) and 475(7) of the Act, the title IV-E agency may then pay kinship guardianship assistance payments on behalf of a child to the relative guardian. Such payments may begin no earlier than the first day of the quarter in which the approved title IV-E

plan amendment to implement the GAP was submitted to ACF by the State (Section 471(a)(28) and 473(d)(1)(A) of the Act).

Payments reported on this line may include those made on behalf of newly established title IV-E kinship guardianships as well as those made on behalf of any title IV-E eligible kinship guardianships where agreements were established prior to the GAP title IV-E plan submission. These agreements must meet, or must be amended to meet, the requirements of Section 473(d)(1)(B) and (C) of the Act before these payments are reported on this line. Payments made prior to the effective date of the approved title IV-E plan must not be reported.

The Federal share of these payments (as entered in Columns B, D and F) is computed using either the State or Tribal FMAP rate, *whichever is higher*. If the State has multiple agreements with multiple Tribes, this computation is performed separately for the payments made on behalf of each Tribe.

If a State title IV-E agency is operating a title IV-E Guardianship Assistance demonstration project, children served through a Tribal-State title IV-E agreement are treated for financial reporting purposes as outside of the project unless specifically identified as included in the approved project terms and conditions.

If the State does not have a title IV-E agreement with any Federally-recognized Tribe, no entries should be made on this line.

❖ *(Enter this amount directly on this form.)*

**Line 33. Administrative Costs - Agency.** Enter the amount of expenditures for administrative activities allocable to the title IV-E GAP, in accordance with an approved or pending public assistance cost allocation plan under Federal regulations at 45 CFR Part 95 Subpart E – Cost Allocation Plans (States) or an approved child welfare cost allocation methodology and a negotiated indirect cost rate (Tribes).

Expenditures reported on this line must be a “net” amount, offset by any income that may result from the operation of the program. Any non-recurring costs associated with obtaining legal guardianship must be reported on Line 34.

Any title IV-E Guardianship Assistance administrative costs (Lines 33-34) incurred on behalf of children participating in an operational title IV-E Adoption Assistance demonstration project are reported in Part 3 of this form (rather than on these Lines) to the extent that this funding category is considered in computing cost neutrality for the project and the children are within the project’s target population (see approved project terms and conditions).

❖ *(Enter this amount directly on this form.)*

**Line 34. Administrative Costs - Non-Recurring.** Enter the amount of expenditures for allowable non-recurring expenses associated with obtaining legal guardianship of an eligible child, to the extent that the total cost does not exceed \$2,000 and is incurred in accordance with a kinship guardianship assistance agreement entered into with a qualified relative guardian prior to obtaining legal guardianship.

❖ *(Enter this amount directly on this form.)*

**Line 35. Training Costs – Staff (At the 75 percent FFP rate).** Enter the allocated amount of expenditures incurred for the development, delivery or participation in training by eligible staff, including State or Tribe title IV-E staff serving children receiving Guardianship Assistance. (See

45 CFR 235.63 through 235.66(a) and 1356.60(b)(1)(i)). Eligible individuals include title IV-E agency staff serving children in receipt of title IV-E Guardianship Assistance.

The training topics must be closely related to one of the examples of allowable administrative activities cited in 45 CFR 1356.60(c)(1) and (2). All training activities and costs funded under title IV-E shall be included in the IV-E agency's training plan for title IV-B.

Do not include:

- Expenditures for the training of ineligible individuals or for training on topics not determined as title IV-E eligible.
- Guardianship Assistance training provided to “relative guardians and professional partners”. These expenditures, to the extent allocable to title IV-E, are reported on Line 36.
- Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allocable to title IV-E Guardianship Assistance and qualify as an allowable administrative cost, it should be reported on line 33.
- If the title IV-E agency has an approved and operational title IV-E Guardianship Assistance demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project's approved project terms and conditions.

❖ *(Enter this amount directly on this form.)*

**Line 36. Training Costs - Relative Guardian and Professional Partner (At Transitional FFP Rates).** Enter the allocated amount of expenditures incurred for the development and delivery of short-term training related to title IV-E Guardianship Assistance to eligible participants. Eligible relative guardian and professional partner participants include:

- Relative guardians,
- Tribe/State-licensed or approved child welfare agency staff providing services to children receiving title IV-E assistance;
- Child abuse and neglect court personnel;
- Agency, child or parent attorneys;
- Guardians ad litem; and,
- Court appointed special advocates.

This training must be in accordance with Section 474(a)(3)(B) of the Act and is eligible for Federal funding at an FFP rate that increases each year over a five-year “transitional” period (see section 203(b) of P.L. 110-351), as follows:

- 55 percent in FFY 2009;
- 60 percent in FFY 2010;
- 65 percent in FFY 2011;
- 70 percent in FFY 2012;
- 75 percent in FFY 2013 and thereafter.

All training activities and costs funded under title IV-E shall be included in the title IV-E agency's training plan for title IV-B.

Do not include:

- Some costs associated with title IV-E training such as those derived through the application of an indirect cost rate may not qualify as training costs. To the extent that any such amount may be allowable as a title IV-E administrative cost, it should be reported on line 33.
- Guardianship Assistance training provided to “staff”. These expenditures, to the extent allocable to title IV-E, are reported on Line 35.
- If the title IV-E agency has an approved and operational title IV-E Guardianship Assistance demonstration project in which this funding category is considered in computing cost neutrality for the project, costs must be reported in Part 3 of this form (rather than on this line) to the extent specified in the project’s approved project terms and conditions.

❖ *(Enter this amount directly on this form.)*

**Line 37a. Demonstration Project Costs.** Enter the amount for approved demonstration projects for Guardianship Assistance authorized under Section 1130 of the Act as computed on Part 3 of this form.

❖ *(This amount is carried from the amount calculated on Part 3, Line 25c of this form.)*

**Line 37b. Post-Demonstration Guardianship Assistance and Services Costs.**

- **TRIBES: Leave this line blank.**
- **STATES: This line is applicable only to States that formerly operated title IV-E Foster Care demonstration projects that provided guardianship assistance and services. It should not be confused with Line 37a which covers the costs of any currently approved Guardianship Assistance demonstration project.**

Enter the amount for “Title IV-E Post-Demonstration Guardianship” expenditures. This line is applicable only for those States with formerly approved title IV-E Foster Care demonstration projects providing kinship guardianship assistance or services pursuant to Section 1130 of the Act that have ended. Expenditures associated with continued operation (i.e. prior quarter adjustments) or close-out of the demonstration project are to be reported in Part 3 of this report. Upon termination of such a project, the title IV-E State agency may continue to claim title IV-E for the same assistance and services under the same terms and conditions that a child received under a kinship guardianship demonstration project as of September 30, 2008. The title IV-E costs of such operations must be reported on this line. In accordance with Section 474(g) of the Act, this claiming authority exists whether or not the State opts to operate a GAP pursuant to Section 473(d) of the Act. These States must complete Section C and also report information on children assisted on Line 51 even though the option to operate a GAP has not been exercised.

In the event that there are children that began participation in an approved waiver demonstration project providing assisted guardianship on or after October 1, 2008 where the project has now been terminated, any continuing expenditures on behalf of these children incurred after termination are not to be reported on this line. Such costs may be title IV-E allowable only if the State has an approved GAP title IV-E plan amendment and then only to the extent that all title IV-E eligibility and other applicable requirements are met. If these conditions are met, expenditures on behalf of such children must be reported as part of the State title IV-E agency’s GAP claims on Lines 31 and 33.

❖ *(Enter this amount directly on this form.)*

**Line 38. Total Costs.** Enter the total expenditures being claimed for the current quarter (Columns A and B) and prior quarters (Columns C and D) and the total estimate for the next quarter (Columns E and F).

❖ *(Calculated as the sum of Lines 31-37.)*

**Line 39. Non-Federal (State or Tribal) Share of Total Costs.** Enter in Columns B, D and F the Tribal/State share amount of total reported costs for the current quarter, prior quarter adjustments and for next quarter estimates. These are the funds that the title IV-E agency has expended or is certifying (for estimate purposes) will be made available for the required Tribal/State share of program costs.

- *For States:* Include funds appropriated by the State legislature for these purposes.
- *For Tribes:* Include funds appropriated by the Tribe and certain types and levels of in-kind expenditures (or contributions) by certain third parties, if any. (See instructions for Line 40)

❖ *(Calculated as follows:*

Column B = Line 38, Column A minus Line 38, Column B;

Column D = Line 38, Column C minus Line 38, Column D and

Column F = Line 38, Column E minus Line 38, Column F.)

**Line 40. Tribal Share of Costs Claimed/Estimated From Third Party In-Kind Sources.**

○ **TRIBES: Complete this line.**

○ **STATES: Leave this line blank. This information is not applicable to States.**

Enter in Columns B, D and F the portion of the amounts reported on Line 39 derived from third party in-kind expenditures.

Tribes are permitted by statute to use in-kind expenditures from certain third party sources as a portion of their share for administrative and training costs. The option for Tribes to utilize in-kind expenditures is available only for certain fiscal years, from certain sources and up to specified limits in accordance with Section 479B(c)(1)(D) of the Act and applicable regulations.

❖ *(Enter this amount directly on this form.)*

## **SECTION D: AVERAGE MONTHLY NUMBER OF CHILDREN ASSISTED**

**Report the requested information for the current quarter claims (actual) and for the next quarter estimates (estimate).**

### ▪ **Foster Care Program**

**Line 41. Number of Children: In-Placement - Title IV-E Maintenance Assistance Payments.**

Enter the average monthly number of children for whom title IV-E Foster Care maintenance assistance payments reported on Lines 1 and 2 of this Part and Lines 1a and 5a of Part 3 (Foster Care) were made for the current quarter and are estimated to be made for the next quarter.

**Line 42. Number of Children: In-Placement - Title IV-E Funded Administrative Costs.** Enter the average monthly number of children on whose behalf title IV-E Foster Care in-placement administrative costs reported on Line 9 of this Part and Lines 1b and 5b of Part 3 (Foster Care) were incurred or are estimated excluding any children for whom an eligibility determination was the only activity performed.

This number includes all of the children reported on Line 41 determined to meet all title IV-E eligibility criteria. Depending on the title IV-E agency's approved cost allocation methodology, this number may also include certain additional title IV-E eligible children on whose behalf no assistance payments were or will be made (e.g., the child is considered to be in foster care while participating in a trial home visit for the entire quarter or the payment is not issued during the quarter due to billing or processing delays). Finally, this number may also include children on whose behalf any assistance payments provided or expected to be provided (for estimate purposes) are not claimed as title IV-E maintenance assistance payments due to circumstances as listed below:

- Children who are eligible for title IV-E but who are receiving SSI in lieu of title IV-E Foster Care maintenance assistance payments (see the Child Welfare Policy Manual, Section 8.4D).
- In accordance with Section 472(i) of the Act, the title IV-E agency may submit a title IV-E claim for administrative costs on behalf of an otherwise eligible child placed in an unlicensed or unapproved relative home for 12 months or the average length of time it takes to license or approve a foster family home, whichever is less. During this time, an application for licensure or approval of the relative home as a foster family home must be pending (Section 472(i)(1)(A) of the Act).

*Administrative costs must not be claimed for a child placed in an unlicensed or unapproved foster family home where the foster parent is not related to the child. A relative is defined by Section 406(a) of the Act as in effect on July 16, 1996, and implemented in 45 CFR 233.90(v).*

- Administrative costs may be claimed on behalf of an otherwise title IV-E eligible child for a period of not more than one calendar month when a child moves from a facility not eligible for payments under title IV-E into a licensed or approved foster family home or child care institution (Section 472(i)(1)(B) of the Act). All such claims must also be in accordance with an approved public assistance cost allocation plan as per Federal regulations at 45 CFR 95.507 (States) or an approved child welfare cost allocation methodology (Tribes).

**Line 43. Number of Children: In-Placement - Any Payments or Administrative Costs.** Enter the average monthly number of all children in foster care for whom any payments were made and/or administrative costs incurred (regardless of funding source) by the title IV-E agency. This includes all children in foster care (including those title IV-E eligible children reported on Line 42) whether or not title IV-E eligible. Foster care is defined at 45 CFR 1355.20 as 24-hour substitute care for all children placed away from their parent(s) or guardian(s) and for whom the State agency has placement and care responsibility. Common examples of funding sources used by some title IV-E agencies for foster care include title IV-E, TANF, SSI and Tribe/State-only categories.

**Line 44a. Number of Children: Pre-Placement – Title IV-E Funded Candidate Administrative Costs.** Enter the average monthly number of children on whose behalf title IV-E candidate pre-placement administrative costs reported on Line 10a of this Part and Lines 1b and 5c of Part 3 (Foster Care) were incurred.

These are children at imminent risk of removal from home where the State agency is either pursuing his/her removal from the home or making reasonable efforts to prevent such removal. Thus, the State or Tribe title IV-E agency has determined they are "candidates" for foster care.

The IV-E agency must also make a determination (or redetermination) at least every six months as to whether the child remains at imminent risk of removal from the home.

If pre-placement cost claims are derived through application of an allocation statistic such as the foster care eligibility rate to a pool of candidate cases, the number to be reported on this line is the average monthly number of children in that pool multiplied by the applicable allocation statistic. For example, if the total average monthly population of foster care candidates is 1,000 children and a caseload eligibility allocation statistic of 50 percent is used (in accordance with an approved cost allocation plan or methodology) to identify the title IV-E component of the cost pool(s) associated with foster care candidate cases, the title IV-E agency should report 500 (1,000 x 50 percent) as the title IV-E pre-placement caseload.

**Line 44b. Number of Children: Title IV-E Funded Sex Trafficking Administrative Costs.**

Enter the average monthly number of children on whose behalf title IV-E sex trafficking administrative costs reported on Line 10b of this Part were incurred.

These are children or youth in the placement, care or supervision of the title IV-E agency who are being screened to identify and document in agency records sex trafficking victim status or those already identified as a sex trafficking victim for whom appropriate services are being determined as per sections 471(a)(9) and (34) of the Act. It also includes use of protocols to locate and assess any child missing from foster care for the purpose of administering section 471(a)(35) of the Act, including screening the child to determine if the child is a possible sex trafficking victim.

▪ **Adoption Assistance Program**

**Line 45. Number of Children: Title IV-E Adoption Assistance Payments.** Enter the average monthly number of children for whom the title IV-E Adoption Assistance payments reported on Lines 21 and 22 of this Part and Lines 1a and 5a of Part 3 (Adoption Assistance) were made for the current quarter and are estimated to be made for the next quarter.

**Line 46. Number of Children: Any Adoption Assistance Payments.** Enter the average monthly number of children for whom the title IV-E agency made any adoption assistance payments (regardless of funding source). This includes all children in subsidized adoptive homes (including those title IV-E eligible children reported on Line 45) whether or not title IV-E eligible.

Adoption is as defined at 45 CFR 1355.20. Adoption assistance is any recurring payment made in accordance with an adoption assistance agreement.

**Line 47. Number of Children: Title IV-E Non-Recurring Administrative Cost Payments.**

Enter the average monthly number of children on whose behalf a non-recurring cost was reported on Line 24 of this Part and Lines 1b and 5b of Part 3 (Adoption Assistance). It should be noted that the portion of these children on whose behalf title IV-E Adoption Assistance payments are being made will also be reported on line 45.

▪ **Guardianship Assistance Program (GAP)**

**NOTE: The following lines are only to be completed by those States or Tribes that have an approved title IV-E plan to operate a title IV-E GAP or by States that are continuing to**

**incur title IV-E Post-Demonstration Guardianship expenditures after the termination of a title IV-E Guardianship Assistance demonstration project.**

**Line 48. Number of Children: Title IV-E Guardianship Assistance Payments.** Enter the average monthly number of children for whom the title IV-E kinship guardianship assistance payments reported on Lines 31 and 32 of this Part and Lines 1a and 5a of Part 3 (Guardianship Assistance) were made for the current quarter and are estimated to be made for the next quarter.

**Line 49. Number of Children: Any Guardianship Assistance Payments.** Enter the average monthly number of children for whom the title IV-E agency made any guardianship assistance payments (regardless of funding sources). This includes all children in assisted guardianship homes (including those title IV-E eligible children reported on Line 48) whether or not title IV-E eligible. Guardianship assistance is any recurring payment made in accordance with a guardianship assistance agreement.

**Line 50. Number of Children: Title IV-E Non-Recurring Administrative Cost Payments.** Enter the average monthly number of children on whose behalf a non-recurring cost was reported on Line 34 of this Part and Lines 1b and 5b of Part 3 (Guardianship Assistance). The children reported on this line on whose behalf title IV-E kinship guardianship assistance payments are being made will also be reported on line 48.

**Line 51. Number of Children: Title IV-E Post-Demonstration Guardianship Assistance or Services.**

- **TRIBES: Leave this line blank.**
- **STATES: This line is applicable only to States that operate title IV-E Guardianship Assistance demonstration projects.**

Enter the average monthly number of children for whom the title IV-E Post-Demonstration Guardianship Assistance or Services reported on Line 37b were made for the current quarter and are estimated to be made for the next quarter.

## **Part 2: Prior Quarter Expenditure Adjustments**

This part must be submitted as a supplemental supporting document whenever a "Prior Quarter Adjustment" (Columns B and C) is reported in Part 1 of this form. Although the net total of any Part 3 derived adjustments will equal the total in section A of Part 3, it may not necessarily equal the total transferred from section D of Part 3 to Part 1 due to the potential application of cost neutrality limits. Therefore, only those Part 3 adjustments transferred to Part 1 must be identified on Part 2.

A net adjustment reported in Part 1 or Part 3 will be comprised of one or more increasing or decreasing components. Each individual adjustment should be shown and reported separately by increasing and decreasing components, if applicable. (This requirement remains in effect in instances where the combination of increasing and decreasing adjustments produced a net result of zero dollars for the Federal share of prior quarter adjustments in Part 1 or Part 3.) The appropriate funding category must also be identified for each adjustment reported in Part 2. If the space provided is insufficient for the number of components being reported, use as many

additional sheets as necessary to properly report these items, annotating each sheet as appropriate (i.e., sheet 2 of 3)

**General Instructions:**

- Indicate whether this Part is for prior quarter claims under the Foster Care, Adoption Assistance or Guardianship Assistance programs. Include as many copies of Part 2 as needed. Complete a separate copy for each program for which you are reporting adjustments.
- Enter the name of the State or Tribe.
- Enter the ending date of the current quarter from Part 1.
- Check the box to indicate whether this is a new report or a revision to a report previously submitted.

**Definitions:**

**Section A: Increasing Adjustments.** Each increasing component of the net adjustments included in Part 1. (**Note:** In accordance with Section 1132 of the Act and 45 CFR 95, Subpart A, claims for increasing adjustments are unallowable unless submitted within two years of the original expenditure date or otherwise meet one of the “exception” criteria found in the statute and regulations.)

**Section B: Decreasing Adjustments.** Each decreasing component of the net adjustments included in Part 1. The decreasing adjustments should be entered as positive numbers on this form.

**Column A: Total Adjustment.** The combined Federal/State or Federal/Tribe total of each adjustment.

**Column B: Federal Share of Adjustment:** Determine the Federal share of each adjustment by multiplying the amount in Column (A) by the FFP or FMAP rate applicable to the nature of the expenditure and the prior quarter in which it was made.

**Column C: Funding Category** Indicate the funding category of the component(s) on each line. These are described at the bottom of the form. The following is a full listing of all funding categories codes including additional codes newly available for demonstration projects:

Funding Category Codes (with applicable Part 1 or Part 3 Line number)

Foster Care

- FPY - Maintenance Assistance Payments - Agency (Part 1, Line 1)
- FPA - Maintenance Assistance Payments - w/Agreement (Part 1, Line 2)
- FAC - In-Placement Administration - Case Planning and Mgmt. (Part 1, Line 5)
- FAE - In-Placement Administration - Eligibility Determination (Part 1, Line 6)
- FAP (formerly FAM) - In-Placement Administration - Provider Management (Part 1, Line 7)
- FAA - In-Placement Administration - Agency Management (Part 1, Line 8)
- FPC - Candidate Administration - Pre-Placement (Part 1, Line 10a)
- FST - Sex Trafficking Administrative Costs (Part 1, Line 10b)
- FSO - S/TACWIS or CCWIS - Operational Costs (Part 1, Line 11)

- FS1 - S/TACWIS or CCWIS Development Project 1 Costs (Part 1, Line 12)
- FS2 - S/TACWIS or CCWIS Development Project 2 Costs (Part 1, Line 13)
- FSN - S/TACWIS or CCWIS Development Non-APD Costs (Part 1, Line 14)
- FTS - Training Costs - Staff and Provider (Part 1, Line 15)
- FTP - Training Costs - Professional Partners (Part 1, Line 16)
- FDD - Demonstration Project Developmental Costs (Part 3, Lines 3 and 7)
- FDV - Demonstration Project Evaluation Costs (Part 3, Lines 4 and 8)
- FDP - Demonstration Project FMAP Rate Operational Costs (Part 3, Lines 1a, 2a, 5a and 6a)
- FDA - Demonstration Project 50% FFP Rate Operational Costs (Part 3, Lines 1b, 2b, 5b, 5c, 5d and 6b)
- FDT - Demonstration Project 75% FFP Rate Operational Costs (Part 3, Lines 5e and 6c)

Adoption Assistance

- APY - Maintenance Assistance Payments - Agency (Part 1, Line 21)
- APA - Maintenance Assistance Payments - w/Agreement (Part 1, Line 22)
- AAD - Administration - Agency (Part 1, Line 23)
- AAN - Administration – Non-Recurring (Part 1, Line 24)
- ATS - Training Costs - Staff and Provider (Part 1, Line 25)
- ATP - Training Costs - Professional Partners (Part 1, Line 26)
- ADD - Demonstration Project Developmental Costs (Part 3, Lines 3 and 7)
- ADV - Demonstration Project Evaluation Costs (Part 3, Lines 4 and 8)
- ADP - Demonstration Project FMAP Rate Operational Costs (Part 3, Lines 1a, 2a, 5a and 6a)
- ADA - Demonstration Project 50% FFP Rate Operational Costs (Part 3, Lines 1b, 2b, 5b, 5c, 5d and 6b)
- ADT - Demonstration Project 75% FFP Rate Operational Costs (Part 3, Lines 5e and 6c)

Guardianship Assistance

- GPY - Maintenance Assistance Payments - Agency (Part 1, Line 31)
- GPA - Maintenance Assistance Payments - w/Agreement (Part 1, Line 32)
- GAD - Administration - Agency (Part 1, Line 33)
- GAN - Administration – Non-Recurring (Part 1, Line 34)
- GTS - Training Costs - Staff and Provider (Part 1, Line 35)
- GTP - Training Costs - Professional Partners (Part 1, Line 36)
- GPD - Post-Demonstration Guardianship Assistance and Services Costs (Part 1, Line 37b)
- GDD - Demonstration Project Developmental Costs (Part 3, Lines 3 and 7)
- GDV - Demonstration Project Evaluation Costs (Part 3, Lines 4 and 8)
- GDP - Demonstration Project FMAP Rate Operational Costs (Part 3, Lines 1a, 2a, 5a and 6a)
- GDA - Demonstration Project 50% FFP Rate Operational Costs (Part 3, Lines 1b, 2b, 5b, 5c, 5d and 6b)
- GDT - Demonstration Project 75% FFP Rate Operational Costs (Part 3, Lines 5e and 6c)

**Column D: Applicable to Fiscal Quarter Ended.** Indicate the ending date (Month and Year) applicable to the adjustment being reported. Where a single adjustment encompasses several calendar quarters, the portion applicable to each quarter must be shown on a separate line.

**Column E: Adjustment Identification and Explanation.** Provide a sufficiently detailed identification and explanation for increasing and decreasing adjustments, attaching supporting documentation as needed in accordance with the following guidance:

- o For audit related adjustments: Include the finding number and, if it has been reviewed by the HHS Office of the Inspector General, the Federal audit CIN - Common Identification Number.
- o For any other audit: Provide appropriate audit identifying information for each adjustment associated with a particular audit.
- o For Title IV-E Eligibility Reviews: Separately identify each adjustment associated with a Title IV-E Eligibility Review. List the Period Under Review (PUR) or the date of the correspondence sent with the final report for that review.
- o Other Disallowances (e.g., resulting financial report reviews, cost allocation plan reviews, site visits, etc. by federal staff): Provide a clear, sufficiently detailed explanation. Cite and attach any dated and signed correspondence as applicable.
- o Significant Adjustments: Any single increasing or decreasing adjustment that equals \$200,000 (Total amount) or more or any group of increasing or decreasing adjustments within a single funding category that equals \$1 million (Total amount) or more, must be supported through a summary statement identifying the source and reason for the claim and additional detailed information (either in Column E or as a referenced attachment) on the rationale, basis, relationship to other claims submitted on this or previous form CB-496 reports, and calculation of the adjustment.
- o Two Year Filing Limit: Any increasing adjustment submitted beyond the two-year filing deadline mandated under Sec 1132 of the Social Security Act (45 CFR Part 95 Subpart A) is unallowable unless the IV-E agency is able to thoroughly detail the nature of the claim, including an explanation establishing which of the four exceptions found at 45 CFR 95.19 supports acceptance of the untimely claim.
- o Other Adjustments: Provide a summary statement identifying the source and basis for the adjustment.

**Total Increasing Adjustments (Section A) / Total Decreasing Adjustments (Section B):**

The last line in each section should be the total of the entries for that section, combining all copies of this form needed.

**Net Adjustments.** For both Columns A and B, subtract the Total Decreasing Adjustments in Section B from the Total Increasing Adjustments in Section A. The amounts entered in Columns A and B on this line must be equal to the amounts entered in Columns C and D on Line 18 (Foster Care), Line 28 (Adoption Assistance) or Line 38 (Guardianship Assistance) of Part 1 of this form.

**Submittal and Revisions.** Part 2 is an attachment to Part 1 and Part 3. A Part 2 should be submitted whenever an initial or revised Part 1 or Part 3 is being submitted. A revised Part 2 should include all prior quarter adjustments that are applicable to the current reporting quarter, including those that are unchanged from the initial submission. A revision to this Part is subject to the same restrictions, procedures and requirements as stated for Part 1.

### **Part 3: Demonstration Projects**

**(This Part is only applicable to those States or Tribes that have an approved title IV-E demonstration project.)**

## FOSTER CARE, ADOPTION ASSISTANCE AND GUARDIANSHIP ASSISTANCE DEMONSTRATION PROJECTS

### **General Instructions:**

States or Tribes administering title IV-E programs (hereafter “title IV-E agency”) with an approved title IV-E demonstration project must report quarterly expenditures and/or estimates under such project(s) on Part 3 of form CB-496. All Part 3 entries are to be made in accordance with these instructions and the title IV-E agency's approved demonstration project terms and conditions and waiver authority. This includes conformance with any project-related plans required for submission and approval in accordance with the project terms and conditions.

Completion of Part 3, section B will require the development and maintenance of schedules to accumulate needed cost data by the title IV-E agency. In this context, title IV-E agencies should consider the need to develop specific fiscal operational procedures for the demonstration project. These procedures, to the extent agreed to by ACF, will govern the calculation of reported amounts. Technical assistance in the assembling of claiming documentation and the completion of Part 3 is available from ACF Regional Offices.

Title IV-E agencies will need to begin submitting Part 3 of this report prior to implementation of the demonstration project since project developmental costs and estimates of future quarterly expenditures are sought. Part 3 must also be submitted during the time period when the demonstration project is operational and for all quarters as needed after completion of the demonstration project, since evaluation costs may continue to be incurred (as per the approved terms and conditions) and prior quarter adjustment claims may be required.

Demonstration project costs reported are classified as Foster Care, Adoption Assistance or Guardianship Assistance, depending on which program component of title IV-E the project is designated to cover. Should a title IV-E agency operate separate demonstration projects for more than one title IV-E program, costs for the multiple projects must be reported separately on individual Part 3 forms. However, if a single demonstration project includes the reporting of costs attributable to more than one of these title IV-E programs, all project costs are reported under the single program with the greatest proportion of expected project operational costs (generally Foster Care). The title IV-E agency should consult with the ACF Children's Bureau if there is any doubt as to the identification of that program. Each Part 3 form should thus be checked (one box only) to indicate whether reported costs are for the **Foster Care, Adoption Assistance** or **Guardianship Assistance** component of title IV-E.

Demonstration projects are designated as either an **Experimental Design Project** or as a **Capped Allocation Project** for financial reporting purposes. These designations describe the basic approach or method utilized to measure the cost neutrality limit (CNL) and available funding for approved activities constituting project operation, including those otherwise eligible for title IV-E funding. Section 4 of the approved terms and conditions for each demonstration project will identify the method to be utilized for the project. It is critical that each Part 3 identify in the heading which method is applicable for the reported project and that within each Part 3 section only the subsection relevant to the selected method be completed. Thus, if a project is designated as an “Experimental Design Project”, each Part 3 section will be completed only on those Lines within subsection I., Experimental Design Projects. All other Lines are to be left blank or, where consisting of totals, are automatically computed.

There may be a few situations in which a title IV-E agency is transitioning from one category of CNL method to the other. This could necessitate reporting for one or more quarters on aspects of the project subject to both methods. In these instances, both methods should be checked in the heading and all subsections will need to be completed.

When reporting information for a particular demonstration project, the State or Tribe should report on only those lines applicable for that project. The approved terms and conditions for a capped allocation project will prescribe which funding categories are included and excluded from consideration in establishing and measuring the utilization of the capped allocations. Similarly, the approved terms and conditions for an experimental design project will identify those funding categories considered for the control/comparison group in computing the average title IV-E cost per case, which is then used in calculating the cost neutrality limit.

It is critical that each Part 3 identify in the heading the applicable funding category(ies) for the reported project from among **Maintenance Assistance Payments, Administration, S/TACWIS or CCWIS Operational Costs** and **Training**. Only the lines relevant to the selected funding categories should be completed within each Part 3 section. For example, if Foster Care Maintenance Assistance Payments is the only funding category included in the project for cost neutrality purposes, only those Part 3 reporting lines designated for demonstration project operations that are titled with the words “maintenance assistance payments” or “FMAP rate” should be completed. Part 3 reporting lines that identify project operations in other funding categories or reimbursement rates are not relevant for that project. Project developmental and evaluation costs are reported regardless of the applicable funding categories.

Columns A through F should include actual expenditures only. Columns G and H should include the title IV-E agency's projection of anticipated costs (estimates) for the next quarter. Additionally, a special Column H is used on specified reporting lines to identify the title IV-E agency share.

Prior quarter adjustments are reported in Columns C and D only for periods in which the applicable demonstration project was under development (for approved developmental costs only), operational or subject to evaluation in a post-operational quarter (per the approved terms and conditions). Any prior quarter adjustments for other periods must not be reported in Part 3. All prior quarter adjustments for demonstration project costs determined as fundable claims on line 25c must also be identified in form CB-496, Part 2. Adjustments for demonstration project costs must be identified using the appropriate funding category code for Foster Care, Adoption Assistance or for Guardianship Assistance in Part 2, Column I. For demonstration projects using an experimental design involving a control/comparison group, prior quarter adjustments reported in Part 1 may also impact the demonstration through adjustment to amounts used in the cost neutrality limit formula.

Prior quarter adjustments can either report claims not previously reported or revise the amount of a previous claim. Any prior quarter adjustment that revises the amount of a previous claim must consider the portion of the original claim that was determined as a fundable amount on the relevant reporting line (14a-b or 20a-c). The amount of the adjustment should equal the difference between the original funded claim and the revised claim. If necessary, adjustment should also be made to the cumulative holding account balance (see instructions for lines 16a-b and 22a-c). For example, if an original claim included a current quarter total of \$100,000, but only \$85,000 of that amount had been determined as fundable, a subsequent prior quarter adjustment to that claim must consider how much of the fundable amount is to be adjusted. Thus, continuing with this example, if the revised total claim were now \$80,000, the decreasing

prior quarter adjustment amount to be reported would be -\$5,000 as only \$85,000 of the \$100,000 claim was originally funded. Additionally, if the report for the quarter with the original claim placed the unfunded \$15,000 into the cumulative holding account balance, the entire \$15,000 would now be removed from that reporting line as it is no longer an amount subject to reclaiming based on the revised total claim.

#### **Definitions:**

**Cost Neutrality Limit.** The total amount of Federal funds used to support the demonstration will not exceed the amount of Federal funds that would have been expended by the title IV-E agency under the State/Tribe plans approved under Parts B and E of title IV of the Act, if the Demonstration project were not conducted. [Section 1130 (h) of the Act]

**Experimental Design.** Demonstration projects employing random assignment of individuals or groups to experimental and control groups or the use of a matched comparison group in place of a control group. Cost neutrality is assessed against the average cost in the control group or, if applicable, by applying rates of growth or decline observed in the comparison group.

**Capped Allocation.** Project funding in each category is based on historic expenditure and caseload trends prior to implementation of the demonstration project. Cost neutrality is determined as met for allowable project expenditures up to the established cap(s).

**Project Developmental Costs.** Amounts incurred a IV-E agency incurs per its approved developmental cost plan to establish the demonstration project prior to initial implementation of the project anywhere within its jurisdiction.

**Project Evaluation Costs.** Amounts a IV-E agency incurs per its approved evaluation plan to conduct the required evaluation of the project.

**Project Operational Costs.** Amounts a IV-E agency incurs for the operation of a demonstration project per the approved project terms and conditions. This would include all allowable costs within specified funding categories to serve the population identified as within the scope of the project.

**Title IV-E Costs.** Those project operational costs a IV-E agency incurs that would be title IV-E allowable without any title IV-E waivers granted. Costs are identified by funding categories and are provided for those demonstration project participants determined as title IV-E eligible.

**Project Intervention and Other Waiver Based Costs.** Those project operational costs a IV-E agency incurs that would not be title IV-E allowable except for provisions in the approved project terms and conditions including any title IV-E waivers granted. Project interventions include any specific services or benefits provided to the participating population as specified in the approved project terms and conditions.

#### **Part 3 Report Heading Information**

- Enter the Project Approval Date that is applicable to the project for which costs are being reported on this Part 3. This date is the one on which the authorized ACF official signed the initial set of project terms and conditions. A separate Part 3 must be completed for costs reported under each project if a title IV-E agency has received approval to operate more than one demonstration project.

- Check the appropriate box to indicate for which title IV-E program (Foster Care, Adoption Assistance or Guardianship Assistance) this Part is being completed.
- Check the appropriate box(es) to indicate which cost neutrality limit (CNL) method (Experimental Design or Capped Allocation) is applicable to the project. It is possible that some title IV-E agencies may have approval for more than one project using different CNL methods. If two demonstration projects are both funded through a single title IV-E program (e.g. Foster Care) but each project uses a different CNL method, both CNL method boxes are to be checked and all project reporting is then included on one Part 3 submission.
- Check the appropriate box(es) to indicate the applicable funding category(ies) for the project(s) being reported. Report form entries must only be made on those lines associated with the selected applicable funding categories.
- Enter the name of the State or Tribe.
- Enter the ending date of the current quarter from Part 1.
- Enter the ending date of the next quarter from Part 1.
- Check the box to indicate whether this is a new report or a revision to a report previously submitted.
- Excel submission only - Enter the title IV-E agency's applicable FMAP rate for the current quarter.
- Excel submission only - Enter the title IV-E agency's applicable FMAP rate for the next quarter.

## Part 3 Line by Line Instructions

### Section A – Title IV-E Allowable and Waiver-Based Demonstration Project Costs

#### Overview

This section is for reporting all demonstration project costs on behalf of designated project participants and others served. This includes: 1) title IV-E allowable and allocable costs for project operations that meet title IV-E funding requirements outside any waivers granted; 2) project interventions and other costs approved through the waiver authority that are part of the operation of an implemented project, and; 3) project developmental or evaluation costs. The reported project operational costs may include maintenance assistance payments, administration, S/TACWIS or CCWIS operations and/or training on behalf of title IV-E eligible children and other designated children and families served, depending on the terms and conditions for the project.

The amounts reported on the lines with “Title IV-E” in the heading are those costs that would have been reported in Part 1 if the involved children had not been part of a demonstration project. These children must also be counted as title IV-E eligible on the appropriate line(s) in Part 1, Section D – Average Monthly Number of Children Assisted. All costs on behalf of other children and any additional types of costs for title IV-E eligible children (i.e. costs that are not title IV-E allowable absent waiver authority) deemed as allowable in accordance with waivers provided through the project are to be reported on the “Project Intervention and Other Waiver Based Expenditures” lines. Approved project development and evaluation costs are reported on separate lines since these activities are treated as demonstration project “administrative costs” rather than “operational costs”. These costs are thus subject to reimbursement without consideration of any cost neutrality limit identified (see Section B below).

**I. Experimental Design Projects** - Complete **ONLY Lines 1a – 4** in this section if reporting financial data for a project designated with an “Experimental/Control Group” CNL.

**Line 1a. Title IV-E Maintenance Assistance Payments Operations (FMAP Rate)** – This line includes title IV-E allowable (without waiver authority) maintenance assistance payments on behalf of children participating as part of the ever-assigned experimental group in the approved and operational title IV-E demonstration project where maintenance assistance payments are considered as part of the CNL. These costs are to be used in the cost neutrality calculation. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care, Lines 21-26 for Adoption Assistance or Lines 31-37 for Guardianship Assistance.

For a Foster Care project, these costs may only cover the items classified as title IV-E maintenance payments in Section 475(4)(A) of the Act for children determined to be title IV-E eligible and form CB-496, Part 1 instructions for Lines 1 and 2. The Federal share of any child support collections made on behalf of the children whose maintenance payments are reported on this line must be reported in Part 1, Line 3.

For an Adoption Assistance demonstration project, these costs are subject to the limitation specified in Section 473(a)(3) of the Act for children determined to be title IV-E eligible and form CB-496, Part 1 instructions for Lines 21 and 22.

For a Guardianship Assistance demonstration project, these costs are subject to the limitation specified in Section 473(d)(2) of the Act for children determined to be title IV-E eligible and form CB-496, Part 1 instructions for Lines 31 and 32.

Do not include:

- Costs on behalf of children participating in the demonstration project as part of a control or comparison group. Such amounts are demonstration-related expenditures, but are reported in Part 1 and are utilized in Section B of this report for cost neutrality purposes.
- Additional project operations costs (i.e. other than title IV-E assistance payments) for the children assisted through the demonstration project. Such costs are reported elsewhere in this Part.

❖ *(Enter amounts directly on this form in Columns A, C, D and G for Experimental Design projects. Columns B, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 1b. Title IV-E Administration (All Applicable Categories) Operations (50 Percent FFP Rate)** - Amounts reported on this line are title IV-E allowable (without waiver authority) administrative costs on behalf of children participating as part of the ever-assigned experimental group in the approved and operational title IV-E demonstration project where administration is considered as part of the CNL. These costs are to be used in the cost neutrality calculation. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care, Lines 21-26 for Adoption Assistance or Lines 31-37 for Guardianship Assistance. This line should remain blank if costs in the administration funding category are not subject to a CNL under the reported project.

For a Foster Care project, these costs may only cover the items classified as title IV-E in-placement or candidate administration in accordance with Federal regulations at 45 CFR 1356.60(c) and form CB-496, Part 1 instructions for Lines 5 – 10.

For an Adoption Assistance or a Guardianship Assistance demonstration project, these costs may only cover the items classified as title IV-E administrative costs – agency or administrative costs – non-recurring in accordance with Federal regulations at 45 CFR 1356.60(c) and form CB-496, Part 1 instructions for Lines 23 – 24 (Adoption Assistance) or Lines 33 – 34 (Guardianship Assistance).

Do not include:

- Costs on behalf of children participating in the demonstration project as part of a control or comparison group. Such amounts are demonstration project-related expenditures, but they are reported in Part 1 and are utilized in Section B of this report for cost neutrality purposes.

❖ *( Enter amounts directly on this line in Columns A, C and G for Experimental Design projects where and to the extent that, administrative costs are considered in the CNL. Columns B, D, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 2a. FMAP Rate – Project Intervention and Other Waiver-Based Expenditures** - *The amounts reported on this line can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the FMAP rate expenditures cumulative holding account (Line 16a). If holding account amounts (accumulated on previous Part 3 reports) are included on Line 2a, an appropriate deduction to Line 16a should appear on this and future quarterly demonstration project reports using the form CB-496, Part 3. The title IV-E agency should also maintain supporting documentation establishing how all amounts were expended.*

Line 2a provides for reporting of costs at the FMAP rate for all other approved project operations fundable up to the available amount, excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. If the project is also assessed for cost neutrality purposes based on administrative costs, another option to report these costs (at the 50% FFP rate) is available on Line 2b.

The title IV-E agency should first determine the availability of funding on Line 2a through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below; however, when completing line 12a, enter only cumulatively-funded amounts plus currently reported amounts on line 1a. The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the FMAP rate on Line 23a. The title IV-E agency can then report any claims as appropriate on Line 2a and include those amounts on Line 12a per the instructions below. Any claims filed on Line 2a which exceed the calculated cost neutrality limit will automatically be identified as part of the FMAP rate holding account (Line 16a) on this quarter’s report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. The appropriate level of title IV-E agency match (using the applicable FMAP rate) should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

❖ *( Enter amounts directly in Columns A, C, D and G for Experimental Design projects. Columns B, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 2b. 50 Percent FFP Rate – Project Intervention and Other Waiver-Based Expenditures** - The amount reported can include: 1) expenditures for project interventions; 2)

otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the 50 percent FFP expenditures cumulative holding account (Line 16b). If holding account amounts (accumulated on previous Part 3 reports) are included on Line 2a, an appropriate deduction to Line 16b should appear on this and future quarterly demonstration project reports using the form CB-496, Part 3. The title IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 2b provides for reporting at the 50 percent FFP rate of costs for all other approved project operations (fundable up to the available amount), excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. It should be noted that another option may be available to report these costs at the FMAP rate on Line 2a.

The title IV-E agency should first determine the availability of funding on Line 2b through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below; however, when completing Line 12b, enter only cumulatively-funded amounts plus currently reported amounts on Line 1b. The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the 50 percent FFP rate on Line 23b. It can then report any claims as appropriate on Line 2b and include those amounts on Line 12b (per below instructions). Any claims filed on Line 2b which exceed the calculated cost neutrality limit will automatically be identified as part of the 50 percent FFP rate holding account (Line 16b) on this quarter’s report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. The appropriate level of title IV-E agency match (at the 50 percent FFP rate) should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

❖ *(Enter amounts directly in Columns A, C and G for Experimental Design projects only where administrative costs are considered for cost neutrality limit determination purposes. Columns B, D, E, F and H are automatically calculated to display Federal share or totals.)*

**Lines 3 and 7. Project Developmental Costs (50 Percent FFP Rate)** - These are the costs associated with the development of the demonstration proposal. This includes costs for the performance of project activities undertaken before implementation of the demonstration project in accordance with the approved waiver terms and conditions and the title IV-E agency’s approved developmental cost plan. These demonstration costs are treated as project administration at the 50 percent rate of FFP and are not subject to the cost-neutrality calculation. Developmental costs must cease prior to the date the project is deemed implemented (operational) anywhere in the State or the Tribe’s service area.

❖ *(Enter amounts directly in Columns A, C and G on Line 3 for Experimental Design Group projects or Line 7 for Capped Allocation Design projects. Columns B, D, E, F and H are automatically calculated on each line to display Federal share or totals.)*

**Lines 4 and 8. Project Evaluation Costs (50 Percent FFP Rate)** - These are the costs associated with the performance of a project evaluation in accordance with the approved waiver terms and conditions and the IV-E agency’s approved evaluation plan. These demonstration costs are treated as project administration at the 50 percent rate of FFP and are not subject to the cost-neutrality calculation. Evaluation costs may begin with the quarter when the project is implemented (operational) anywhere in the IV-E agency and might extend for a period beyond the completion of the demonstration project. In this case, Part 3 must be completed to identify

such costs even though there may be no other demonstration expenditures or need for a cost-neutrality calculation. Pre-implementation approved evaluation planning and preparation costs are reported as part of developmental costs.

❖ *(Enter amounts directly in Columns A, C and G on Line 4 for Experimental Design Group projects or Line 8 for Capped Allocation Design projects. Columns B, D, E, F and H are automatically calculated on each line to display Federal share or totals.)*

**II. Capped Allocation Projects** - Complete **ONLY Lines 5a – 8** in this section if reporting financial data for a project designated with a “Capped Allocation” CNL.

**Line 5a. Title IV-E Maintenance Assistance Payments Operations (FMAP Rate)** –This line includes title IV-E allowable (without waiver authority) maintenance assistance payments on behalf of children participating in the approved and operational title IV-E demonstration project where maintenance assistance payments are considered as part of the capped allocation design CNL. These costs are to be used in the cost neutrality calculation. Furthermore, the Federal share of any child support collections made on behalf of the children whose maintenance payments are reported on this line must be reported in Part 1, line 3. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care, Lines 21-26 for Adoption Assistance or Lines 31-37 for Guardianship Assistance.

For a Foster Care project, these costs may only cover the items classified as title IV-E maintenance payments in Section 475(4)(A) of the Act for children determined as title IV-E eligible and form CB-496, Part 1 instructions for Lines 1 and 2.,

For an Adoption Assistance demonstration project, these costs are subject to the limitation specified in Section 473(a)(3) of the Act for children determined as title IV-E eligible and form CB-496, Part 1 instructions for Lines 21 and 22.

For a Guardianship Assistance demonstration project, these costs are subject to the limitation specified in Section 473(d)(2) of the Act for children determined as title IV-E eligible and form CB-496, Part 1 instructions for Lines 31 and 32.

Additional project costs (i.e. other than title IV-E assistance payments) for these or other children are reported elsewhere in this Part.

❖ *(Enter amounts directly in Columns A, C, D and G for Capped Allocation Design projects. Columns B, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 5b. Title IV-E In-Placement Administration (Excluding Candidate) Operations (50 Percent FFP Rate)** – Costs reported on this line are title IV-E allowable (without waiver authority) amounts spent on behalf of placed children participating in the approved and operational title IV-E demonstration project where in-placement administration is considered as part of the capped allocation design CNL. These costs may only cover the items classified as title IV-E in-placement administration in accordance with Federal regulations at 45 CFR 1356.60(c) and form CB-496, Part 1 instructions for Lines 5–9 (Foster Care), Lines 23 and 24 (Adoption Assistance) or Lines 33 and 34 (Guardianship Assistance). Additional project costs for these or other children are reported elsewhere in this Part. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care, Lines 21-26 for Adoption Assistance or Lines 31-37 for Guardianship Assistance. These expenditures are to be used in the cost neutrality calculation. This line should remain blank if costs in the in-placement administration funding category are not subject to a CNL under the reported project.

❖ *(Enter amounts directly in Columns A, C and G for Capped Allocation Design projects where and to the extent that in-placement (Foster Care) or agency/non-recurring costs (Adoption or Guardianship Assistance) administrative costs are considered in the CNL. Columns B, D, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 5c. Title IV-E Candidate Administration Operations (50 Percent FFP Rate) –** Costs reported on this line are title IV-E allowable (without waiver authority) amounts spent on behalf of children determined as title IV-E candidates participating in the approved and operational title IV-E demonstration project where candidate administration is considered as part of the capped allocation design CNL. These costs may only cover the items classified as title IV-E candidate pre-placement administration in accordance with Federal regulations at 45 CFR 1356.60(c) and form CB-496, Part 1 instructions for Line 10. Additional project costs for these or other children are reported elsewhere in this Part. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care. These expenditures are to be used in the cost neutrality calculation. This line should remain blank if costs in the candidate administration funding category are not subject to a CNL under the reported project.

❖ *(Enter amounts directly in Columns A, C and G for Capped Allocation Design projects where Foster Care candidate administrative costs are considered in the CNL. Columns B, D, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 5d. Title IV-E S/TACWIS or CCWIS Operational Costs Operations (50 Percent FFP Rate) –** Costs reported on this line are title IV-E allowable (without waiver authority) S/TACWIS or CCWIS operations amounts spent on behalf of children participating in the approved and operational title IV-E demonstration project where S/TACWIS or CCWIS operational costs are considered as part of the capped allocation design CNL. These costs may only cover the items classified as title IV-E S/TACWIS or CCWIS operations in accordance with Federal regulations at 45 CFR 1355.57 and form CB-496, Part 1 instructions for Line 11. Additional project costs for these or other children are reported elsewhere in this Part. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care. These expenditures are to be used in the cost neutrality calculation. This line should remain blank if costs in the S/TACWIS or CCWIS operational funding category are not subject to a CNL under the reported project.

❖ *(Enter amounts directly in Columns A, C and G for Capped Allocation Design projects where Foster Care S/TACWIS or CCWIS operational costs are considered in the CNL. Columns B, D, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 5e. Title IV-E Staff/Provider and Professional Partner Training Operations (75 Percent FFP Rate) –** Costs reported on this line are title IV-E allowable (without waiver authority) training amounts spent on behalf of children participating in the approved and operational title IV-E demonstration project where training is considered as part of the capped allocation design CNL. These costs may only cover the items classified as title IV-E training in accordance with Federal regulations at 45 CFR 1356.60(b) and form CB-496, Part 1 instructions for Lines 15 and 16 (Foster Care), Lines 25 and 26 (Adoption Assistance) or Lines 35 and 36 (Guardianship Assistance). Additional project costs for these or other children are reported elsewhere in this Part. Any amount reported on this line should not be reported in Part 1, Lines 1-16 for Foster Care or Lines 21-26 for Adoption Assistance. These expenditures are to be used in the cost neutrality calculation. This line should remain blank if costs in the training funding category are not subject to a CNL under the reported project.

❖ *(Enter amounts directly in Columns A, C and G for Capped Allocation Design projects where training costs are considered in the CNL. Columns B, D, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 6a. FMAP Rate – Project Intervention and Other Waiver-Based Expenditures** - The amounts reported on this line can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the FMAP rate expenditures holding account (Line 22a). If holding account amounts accumulated on previous Part 3 reports are included on this line, an appropriate deduction to Line 22a should appear on this and future quarterly demonstration project reports using the form CB-496, Part 3. The title IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 6a provides for reporting of costs at the FMAP rate for all other approved project operations fundable up to the available amount, excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. If the project is also assessed for cost neutrality purposes based on title IV-E administrative/S/TACWIS or CCWIS and/or training costs, other options to report these costs are available on Lines 6b (at the 50% FFP rate or 6c (at the 75% FFP rate).

The title IV-E agency should first determine the availability of funding on Line 6a through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below. However, when completing Line 18a, the title IV-E agency should enter only cumulatively funded amounts plus currently reported amounts on Line 5a. The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the FMAP rate on Line 24a. It can then report any claims as appropriate on Line 6a and include those amounts on Line 18a (per below instructions). Any claims filed on Line 6a which exceed the calculated cost neutrality limit will automatically be identified as part of the FMAP rate holding account (Line 22a) on this quarter’s report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. Using the applicable FMAP rate, the appropriate level of title IV-E agency match should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

❖ *(Enter amounts directly in Columns A, C, D and G for Capped Allocation Design projects. Columns B, E, F and H are automatically calculated to display Federal share or totals.)*

**Line 6b. 50 Percent FFP Rate – Project Intervention and Other Waiver-Based Expenditures** - The amounts reported on this line can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the 50 percent FFP rate expenditures holding account (Line 22b). If holding account amounts accumulated on previous Part 3 reports are included on this line, an appropriate deduction to Line 22b should appear on this and future quarterly demonstration project (form CB-496, Part 3) reports. The title IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 6b provides for reporting at the 50 percent FFP rate of costs for all other approved project operations (fundable up to the available amount) excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. If the project is also assessed for cost neutrality purposes based on title IV-E maintenance payments and/or training costs, other options to report these costs are available on Lines 6a (at the FMAP rate) or 6c (at the 75% FFP rate).

The title IV-E agency should first determine the availability of funding on Line 6b through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below. However, when completing line 18b, enter only cumulatively funded amounts plus currently reported amounts on Line 5b, 5c, and 5d (if S/TACWIS or CCWIS is included for cost neutrality). The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the 50 percent FFP rate on Line 24b. It can then report any claims as appropriate on Line 6b and include those amounts on line 18b (per below instructions). Any claims filed on line 6b which exceed the calculated cost neutrality limit will automatically be identified as part of the 50 percent FFP rate holding account (Line 22b) on this quarter’s report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. Using the 50 percent FFP rate, the appropriate level of IV-E agency should be used for all expenditures of available demonstration project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

❖ *(Enter amounts directly in Columns A, C and G for Capped Allocation Design projects where 50 percent FFP rate funding categories are considered in the CNL. Columns B, D, E, F and H are automatically calculated to display Federal share or totals.)*

#### **Line 6c. 75 Percent FFP Rate – Project Intervention and Other Waiver Based**

**Expenditures** - The amounts reported on this line can include: 1) expenditures for project interventions; 2) otherwise not claimed title IV-B/IV-E eligible activities that are in accordance with the approved waiver demonstration terms and conditions; or 3) amounts applied from the 75 percent FFP rate expenditures holding account (Line 22c). If holding account amounts accumulated on previous Part 3 reports are included on this line, an appropriate deduction to Line 22c should appear on this and future quarterly demonstration project reports using the form CB-496, Part 3. The IV-E agency should also maintain supporting documentation establishing how all amounts were expended.

Line 6c thus provides for reporting costs at the 75 percent FFP rate for all other approved project operations fundable up to the available amount, excluding those reportable in Section A as title IV-E allowable (without a waiver) and as project developmental or evaluation costs. If the project is also assessed for cost neutrality purposes based on title IV-E maintenance payments and/or administrative/S/TACWIS or CCWIS costs, other options to report these costs are available on Lines 6a (at the FMAP rate) or 6b (at the 50% FFP rate).

The title IV-E agency should first determine the availability of funding on Line 6c through “test” completion of Section B (Cost Neutrality). This can be done by following the Section B instructions listed below. However, when completing Line 18c, enter only cumulatively funded amounts plus currently reported amounts on line 5e. The title IV-E agency will then be able to identify in Section C (Project Savings/Unused Allocations) any amount available for expenditure at the 75 percent FFP rate on Line 24c. It can then report any claims as appropriate on Line 6c and include those amounts on Line 18c, per the instructions below. Any claims filed on Line 6c which exceed the calculated cost neutrality limit will automatically be identified as part of the 75 percent FFP rate holding account (line 22c) on this quarter’s report.

Total computable amounts are reported in Column A if expended in the reporting quarter or in Column C if expended in a previous quarter. Using the 75 percent FFP rate, the appropriate level of title IV-E agency match should be used for all expenditures of available demonstration

project savings reported on this line. Columns E and F serve as an automatic check to assure that amounts are not reported in Columns A-D unless calculated as available.

❖ *(Enter amounts directly in Columns A, C and G for Capped Allocation Design projects where 75 percent FFP rate funding categories are considered in the CNL. Columns B, D, E, F and H are automatically calculated to display Federal share or totals.)*

***[Line 7 and 8 instructions are listed with the Line 3 and 4 instructions, respectively]***

**Line 9. Total Demonstration Project Operational Costs** - This line includes the total title IV-E allowable costs (including any additional costs incurred to perform approved project interventions and those based on waivers granted) that are specifically associated with the operation of the demonstration project. The amount reported is equal to the sum of Lines 1a-2b and 5a-6c. This amount shall not be used in calculating the amount reported on Part 1, Line 17 for Foster Care, Line 27 for Adoption Assistance or Line 37a for Guardianship Assistance. The amounts on Line 25c of this Part should instead be used in calculating the reported amount in Part 1 (see instructions below). This step is necessary to consider other demonstration project costs and to limit the total computable or Federal share amount in accordance with the applicable cost-neutrality provisions.

❖ *(No entries are required. All columns are totaled as noted above.)*

**Line 10. Total Demonstration Project Developmental/Evaluation Costs** - Total project administration costs cover specified activities that are required as a condition of implementing the demonstration project but do not represent payments or services on behalf of project participants. The amount reported is equal to the sum of Lines 3, 4, 7 and 8.

❖ *(No entries are required. All columns are totaled as noted above.)*

## **Section B - Cost-Neutrality Calculations**

### **Overview**

This section provides an accounting summary of the cumulative (life of the project) cost neutrality limit (CNL). This section also shows whether all of the current quarter and prior quarter adjustment project operational costs from Section A are fundable. If these reported expenditures exceed the CNL as of the reporting quarter, this section provides for the recording of a title IV-E claim to be maintained in a “holding account” until a quarter in which funds become available in accordance with the CNL calculations.

**I. Experimental Design Projects** - Complete ONLY Lines 11a–16b in this section if reporting financial data for a project designated with an “Experimental/Control Group” CNL.

**Line 11a. Maintenance Payments (FMAP Rate) - Cumulative Experimental Group Title IV-E Cost Neutrality Limit (CNL)** - The Federal Share amounts to be entered in Columns F and H result from maintenance payment calculations in accordance with the approved terms and conditions on cost-neutrality contained in each title IV-E agency's waiver. This represents the maximum amount of Federal funding at the FMAP rate available through this reporting period for reimbursement of allowable experimental group demonstration project operational expenditures (Column F) and future estimates (Column H).

The cumulative CNL calculation must be performed using data on demonstration experimental and control/comparison groups' quarterly costs through the current quarter (expenditure

purposes) and the next quarter (estimating purposes) in accordance with the approved project terms and conditions through a separate spreadsheet. The resulting totals are entered on this line.

Control/comparison group costs are no longer reported in Part 3 but must still be tracked by the title IV-E agency to perform the CNL calculation. The title IV-E agency will also require information on the number of "cases" in both the experimental and the control/comparison groups. A separate spreadsheet identifying the title IV-E agency's CNL calculations should be maintained at the title IV-E agency as supporting documentation.

❖ *(Enter amounts directly in Columns F and H for Experimental Design projects. The Column H amount should equal the Column F amount plus the title IV-E agency's estimate of the additional CNL amounts projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.)*

**Line 11b. Administrative Costs (50 Percent FFP Rate) - Cumulative Experimental Group Title IV-E Cost Neutrality Limit (CNL)** - The Federal share amounts to be entered in Columns F and H result from administration calculations in accordance with the approved terms and conditions on cost-neutrality contained in each IV-E agency's waiver. This represents the maximum amount of Federal funding at the 50 percent FFP rate available through this reporting period for reimbursement of allowable experimental group demonstration project operational expenditures (Column F) and future estimates (Column H).

The cumulative CNL calculation must be performed using data on demonstration experimental and control/comparison groups' quarterly costs through the current quarter (expenditure purposes) and the next quarter (estimating purposes) in accordance with the approved project terms and conditions through a separate spreadsheet. The resulting totals are entered on this line.

Control/comparison group costs are no longer reported in Part 3 but must still be tracked by the title IV-E agency to perform the CNL calculation. The title IV-E agency will also require information on the number of "cases" in both the experimental and the control/comparison groups. A separate spreadsheet identifying the title IV-E agency's CNL calculations should be maintained at the IV-E agency as supporting documentation.

❖ *(Enter amounts directly in Columns F and H for Experimental Design projects where administrative costs are considered in the CNL. The Column H amount should equal the Column F amount plus the title IV-E agency's estimate of the additional CNL amounts projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.)*

**Line 12a. FMAP Rate - Currently Reported and Cumulatively Funded Experimental Group and Other Operational Costs** - The amount reported represents all operational costs reported over the life of the project as title IV-E maintenance payments or other costs subject to the FMAP rate, minus any previously reported amounts that were determined as not fundable.

The Column F entry is the total of Lines 1a and 2a on the current report and the total of Line 12a minus Line 15a from the previous quarter's demonstration project form CB-496, Part 3 report (all amounts taken from Column F). The title IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the title IV-E agency should not reduce the Line 12a total if it decides to retain the

funds pending a decision. In addition, should the title IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.

The Column H entry is the sum of: Step 1) Column F amount minus any Line 15a Column F entries plus the Column H entries on Lines 1a and 2a. Step 2) Add the total of Column H, Lines 1a and 2a, minus Line 15a Column H entries from the previous quarter's form CB-496, Part 3 report to account for the one additional quarter funded through grant award authority, but not yet subject to expenditure reporting.

❖ *(Enter amounts directly in Columns F and H for Experimental Design projects. These entries are determined from amounts reported on this and the prior quarter's Part 3 submissions as noted above).*

**Line 12b. 50 percent FFP Rate - Currently Reported and Cumulatively Funded**

**Experimental Group and Other Operational Costs** - The amount reported represents all operational costs reported over the life of the project as title IV-E administrative or other costs subject to the 50 percent FFP rate minus any previously reported amounts that were not fundable.

The Column F entry is the total of Lines 1b and 2b on the current report and the total of line 12b minus line 15b from the previous quarter's Demonstration Projects form CB-496, Part 3 report (all amounts taken from Column F). The IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the IV-E agency should not reduce the line 12b total if it decides to retain the funds pending a decision. In addition, should the IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.

The Column H entry is the sum of: Step 1) Column F amount minus any Line 15b Column F entries plus the Column H entries on Lines 1b and 2b. Step 2) Add the total of Column H Lines 1b and 2b minus line 15b Column H entries from the previous quarter's form CB-496, Part 3 report to account for the one additional quarter funded through grant award authority, but is not yet subject to expenditure reporting.

❖ *(Enter amounts directly in Columns F and H for Experimental Design projects. These entries are determined from amounts reported on this and the prior quarter's Part 3 submission as noted above).*

**Line 13a. FMAP Rate – Cumulative Experimental Group and Other Operational Costs in**

**Excess of CNL** –The amount reported represents any currently reported or previously funded project operational costs at the FMAP rate that exceed the cumulative Experimental Design CNL for this funding category calculated on this report. This line is calculated based on entries on Lines 11a and 12a. The formula applied is the following: Line 12a minus Line 11a. Amounts in Column F are treated as zero (0) if the result is a negative number. A positive number is recorded as calculated. The result of these steps is entered in Columns F and H of this line and constitutes the cumulative amount in excess of CNL for the FMAP rate funding category. If this total exceeds the total reported on Lines 1a plus 2a, a portion of previously funded costs are now also in excess of the calculated CNL. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

❖ *(No entries are required. All columns are calculated for Experimental Design projects as noted above.)*

**Line 13b. 50 percent FFP Rate - Cumulative Experimental Group and Other Operational Costs in Excess of CNL** – The amount reported represents any currently reported or

previously funded project operational costs at the 50 percent FFP rate that exceed the cumulative Experimental Design CNL for this funding category calculated on this report. This line is calculated based on entries on Lines 11b and 12b. The formula applied is the following: Line 12b minus Line 11b. Amounts in Column F are treated as zero (0) if the result is a negative number. A positive number is recorded as calculated. The result of these steps is entered in Columns F and H of this line and constitutes the cumulative amount in excess of CNL for the 50 percent FFP rate funding category. If this total exceeds the total reported on Lines 1b plus 2b, a portion of previously funded costs are now also in excess of the calculated CNL. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

❖ *(No entries are required. All columns are calculated for Experimental Design projects as noted above.)*

**Line 14a. FMAP Rate - Fundable Portion of Total Quarterly Project Operational Costs -**

Amounts are initially calculated in Columns F and H only. The amount entered is equal to Line 1a plus 2a minus Line 15a. This is the maximum amount of the reported title IV-E costs subject to Federal funding at the FMAP rate as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on Lines 1a plus 2a, the remaining Line 14a columns are completed by copying data from Lines 1a plus 2a. However, if there is a difference between these totals, the resulting Line 14a total Federal share expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 1a and 2a, Columns B and D. The amounts entered in the total computable columns (Columns A, C F and G) are also automatically calculated by dividing the Federal share amount (Columns B, D and H) by the calculated FFP rate. The calculated FFP rate is equal to the Line 1a plus 2a Federal share amount in the same column, divided by the associated total computable column (e.g., Column B/Column A).

❖ *(No entries are required. All columns are calculated for Experimental Design projects as noted above.)*

**Line 14b. 50 percent FFP Rate - Fundable Portion of Total Quarterly Project Operational Costs -**

Amounts are initially calculated in Column F and H only. The amount entered is equal to line 1b plus 2b minus line 15b. This is the maximum amount of the reported title IV-E costs subject to Federal funding at the 50% FFP rate as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on Lines 1b plus 2b, the remaining line 14b columns are automatically completed by copying data from Lines 1b plus 2b. If, however, there is a difference between these totals, the resulting line 14b total Federal share expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 1b and 2b, Columns B and D. The amounts entered in the total computable columns (Columns A, C F and G) are also automatically calculated by dividing the Federal share amount (Columns B, D and H) by the calculated rate of Federal financial participation (FFP). The calculated FFP rate is equal to the line 1b plus 2b Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

❖ *(No entries are required. All columns are calculated for Experimental Design projects as noted above.)*

**Line 15a. FMAP Rate - Non-Fundable Portion of Total Quarterly Project Operational Costs**

- This line represents the amount of any reported FMAP rate operational cost claims that exceed the CNL calculation and are thus not currently fundable. Amounts are initially calculated in Column F and H only. The amount is determined by comparing the line 1a plus 2a subtotal to

the line 13a entry in the same column. If this subtotal exceeds or equals the line 13a entry, the full amount of the line 13a entry is entered in the same column on line 15a. If the calculated subtotal is less than the line 13a entry in the same column, the formula used is as follows: [line 13a – (line 13a – line 1a – line 2a)]. *Special Note: If the sum of the column F amounts on Lines 1a plus 2a results in a negative number, no further calculations are needed and a zero is entered in column F on this line. This step is necessary to permit acceptance of net decreasing adjustments in a funding category without applying a cost neutrality related impact.* The result of the above calculation is the portion (if any) of the reported project operational costs subject to Federal funding at the FMAP rate that exceed the calculated CNL and are thus non-fundable.

If the calculated Column F and H amounts are equal to zero, the remaining line 15a columns are automatically completed by entering zeroes. If, however, Column F has a calculated entry greater than zero, the resulting line 15a total Federal share expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 1a and 2a, Columns B and D. The amounts entered in the total computable columns (Columns A, C E and G) are also automatically calculated by dividing the Federal share amount (Columns B, D and H) by the calculated rate of Federal financial participation (FFP). The calculated FFP rate is equal to the line 1a plus 2a Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

❖ (No entries are required. All columns are calculated for Experimental Design projects as noted above.)

#### **Line 15b. 50 percent FFP Rate - Non-Fundable Portion of Total Quarterly Project**

**Operational Costs** - This line represents the amount of any reported 50 percent FFP rate operational cost claims that exceeds the CNL calculation and is thus not currently fundable. Amounts are initially calculated in Columns F and H only. The amount is determined by comparing the Line 1b plus 2b subtotal to the line 13b entry in the same column. If this subtotal exceeds or equals the line 13b entry, the full amount of the line 13b entry is entered in the same column on line 15b. If the calculated subtotal is less than the line 13b entry in the same column, the formula used is as follows: [line 13b – (line 13b – line 1b – line 2b)]. *Special Note: If the sum of the column F amounts on Lines 1a plus 2a results in a negative number, no further calculations are needed and a zero is entered in column F on this line. This step is necessary to permit acceptance of net decreasing adjustments in a funding category without applying a cost neutrality related impact.* The result of the above calculation is the portion (if any) of the reported project operational costs subject to Federal funding at the 50 percent FFP rate that exceed the calculated CNL and are thus non-fundable.

If the calculated Columns F and H amounts are equal to zero, the remaining Line 15b columns are automatically completed by entering zeroes. If, however, Column F has a calculated entry greater than zero, the resulting Line 15b total Federal share expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 1b and 2b, Columns B and D. The amounts entered in the total computable columns (Columns A, C E and G) are also automatically calculated by dividing the Federal share amount (Columns B, D and H) by the calculated FFP rate. The calculated FFP rate is equal to the Line 1b plus 2b Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

❖ (No entries are required. All columns are calculated for Experimental Design projects as noted above.)

**Line 16a. FMAP Rate - Cumulative Holding Account (Unfunded Operational Costs In Excess of CNL)** - A cumulative holding account balance for the FMAP rate CNL calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 13a total on this report, it can differ based on prior project operations. An entry is reportable only in Column F. The amount reported is the cumulative total current balance of the holding account for this funding rate. That number is equal to the Column F entry on Line 15a of the current report, plus Line 16a from the previous quarter's demonstration project form CB-496, Part 3 report, minus any adjustments.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 2a (expenditure of available savings reported in this quarter). When demonstration project savings are generated, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration project operations, if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration project expenditures. However, Federal regulations at 45 CFR 95.7 impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement.

❖ *(Enter an amount, if any, for Experimental Design projects in Column F only. This entry is derived both from data reported elsewhere on this submission and any entry on Line 16a from the previous quarter's report as noted above.)*

**Line 16b. 50 percent FFP Rate - Cumulative Holding Account (Unfunded Operational Costs In Excess of CNL)** - A cumulative holding account balance for the 50 percent FFP rate CNL calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 13b total, it can differ based on prior project operations. An entry is reportable only in Column F. The amount reported is the cumulative total current balance of the holding account for this funding rate. That number is equal to the Column F entry on Line 15b of the current report plus Line 16b from the previous quarter's demonstration projects form CB-496, Part 3 report, minus any adjustments.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 2b (expenditure of available savings reported in this quarter). When demonstration project savings are generated, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration project operations if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration project expenditures. However, Federal regulations at 45 CFR 95.7

impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement.

❖ *(Enter an amount, if any, for Experimental Design projects in Column F only. This entry is derived both from data reported elsewhere on this submission and any entry on Line 16a from the previous quarter's report as noted above.)*

**II. Capped Allocation Projects** – Complete ONLY Lines 17a -22c in this section if reporting financial data for a project designated with an “Capped Allocation” CNL.

**Line 17a. Maintenance Payments (FMAP Rate) - Cumulative Title IV-E Capped Allocation (CA)** - The amount to be entered in Columns E and G (Total Computable) should result from maintenance payment calculations in accordance with the approved terms and conditions on cost-neutrality for each title IV-E agency's project. This represents the maximum amount of cost at the applicable FMAP rate available through the appropriate reporting quarter for reimbursement of allowable demonstration project operational expenditures (Column E) and future estimates (Column G).

The cumulative capped allocation must be the amount calculated through the applicable reporting quarter as per the capped allocation payments table in the approved project terms and conditions or an approved fixed schedule of payments through a separate spreadsheet. The resulting totals are entered on this line.

❖ *(Enter amounts directly in Columns E and G for Capped Allocation projects. The Column G amount should equal the Column E amount plus the title IV-E agency's determination of the additional capped allocation amount projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.)*

**Line 17b. Administration and S/TACWIS or CCWIS Costs (50 percent FFP Rate) - Cumulative Title IV-E Capped Allocation (CA)** - The amount to be entered in Columns E and G (Total Computable) should result from the sum of any administrative costs or S/TACWIS or CCWIS operational costs subject to inclusion in the capped allocation in accordance with the approved terms and conditions on cost-neutrality for each title IV-E agency's project. This represents the maximum amount of cost at the 50 percent FFP rate available through this reporting period for reimbursement of allowable demonstration project operational expenditures (Column E) and future estimates (Column G). It should be noted that not all projects will include administrative or S/TACWIS or CCWIS operational costs within the capped allocation. In these instances, such costs must not be reported on this line.

The cumulative capped allocation must be the amount calculated through the applicable reporting quarter as per the approved project terms and conditions or an approved payment schedule through a separate spreadsheet. The resulting totals are entered on this line.

❖ *(Enter amounts directly in Columns E and G for Capped Allocation projects where 50 percent FFP rate funding categories are considered in the CNL.. The Column G amount should equal the Column E amount plus the title IV-E agency's determination of the additional capped allocation amount projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.)*

**Line 17c. Training Costs (75 percent FFP Rate) - Cumulative Title IV-E Capped Allocation (CA)** - The amount to be entered in Columns E and G (Total Computable) should result from the

sum of any staff and provider training or professional partner training costs subject to inclusion in the capped allocation in accordance with the approved terms and conditions on cost-neutrality for each IV-E agency's project. This represents the maximum amount of cost at the 75 percent FFP rate available through this reporting period for reimbursement of allowable demonstration project operational expenditures (Column E) and future estimates (Column G). It should be noted that not all projects will include training costs within the capped allocation. In these instances, such costs must not be reported on this line.

The cumulative capped allocation must be the amount calculated through the applicable reporting quarter as per the approved project terms and conditions an approved payment schedule through a separate spreadsheet. The resulting totals are entered on this line.

❖ *(Enter amounts directly in Columns E and G for Capped Allocation projects where 75 percent FFP rate funding categories are considered in the CNL. The Column G amount should equal the Column E amount plus the title IV-E agency's determination of the additional capped allocation amount projected for the two subsequent quarters following the current quarter, which includes the quarter during which this claim is being filed and the quarter for next quarter estimates.)*

**Line 18a. FMAP Rate - Currently Reported and Cumulatively Funded Demonstration Operational Costs** - The amount reported represents all operational costs reported over the life of the project as title IV-E maintenance payments or other costs subject to the FMAP rate, minus any previously reported amounts that were determined as not fundable.

The Column E amount consists of the total of Lines 5a and 6a above and the total of Line 18a minus Line 21a from the previous quarter's demonstration Project form CB-496, Part 3 (all amounts taken from Column E). The title IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the title IV-E agency should not reduce the Line 18a total if it decides to retain the funds pending a decision. In addition, should the title IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.

The Column G entry is the sum of: Step 1) Column E amount minus any Line 21a Column E entries plus the Column G entries on Lines 5a and 6a. Step 2) Add the total of Column G, Lines 5a and 6a minus any Line 21a Column G entries from the previous quarter's form CB-496, Part 3 report to account for the one additional quarter funded through grant award authority, but not yet subject to expenditure reporting.

❖ *(Enter amounts directly in Columns E and G for Capped Allocation projects. These entries are determined from amounts reported on this and the prior quarter's Part 3 submissions as noted above).*

**Line 18b. 50 percent FFP Rate - Currently Reported and Cumulatively Funded Demonstration Operational Costs** - The amount reported represents all operational costs reported over the life of the project as title IV-E administration, S/TACWIS or CCWIS costs or other costs subject to the 50 percent FFP rate minus any previously reported amounts that were not fundable.

The Column E amount consists of the total of Lines 5b, 5c, 5d and 6b above and the total of Line 18b minus Line 21b from the previous quarter's demonstration project form CB-496, Part 3 report (all amounts taken from Column E). The title IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the title IV-E agency should not reduce the line 18b total if it decides to

retain the funds pending a decision. In addition, should the title IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.

The Column G entry is the sum of: Step 1) *Calculation*: Column E amount minus any Line 21b Column E entries plus the sum of Column G entries on Lines 5b, 5c, 5d and 6b. Step 2) *Manual Addition*: Add the sum of Column G Lines 5b, 5c, 5d and 6b, minus Line 21b Column G entries from the previous quarter's form CB-496, Part 3 report to account for the one additional quarter funded through grant award authority, but not yet subject to expenditure reporting.

❖ *(Enter amounts directly in Columns E and G for Capped Allocation projects where 50 percent FFP rate funding categories are considered in the CNL. These entries are determined from amounts reported on this and the prior quarter's Part 3 submissions as noted above).*

**Line 18c. 75 percent FFP Rate - Currently Reported and Cumulatively Funded**

**Demonstration Operational Costs** - The amount reported represents all operational costs reported over the life of the project as title IV-E training or other costs subject to the 75 percent FFP rate, minus any previously reported amounts that were not fundable.

The Column E amount consists of the total of Lines 5e and 6c above and the total of Line 18c minus Line 21c from the previous quarter's demonstration project form CB-496, Part 3 report (all amounts taken from Column E). The title IV-E agency must adjust this figure to exclude any expenditure amount not reimbursable because it was disallowed. If a disallowance action is appealed, the title IV-E agency should not reduce the Line 18c total if it decides to retain the funds pending a decision. In addition, should the title IV-E agency prevail in the appeal, a further adjustment to this line may be necessary.

The Column G entry is the sum of: Step 1) *Calculation*: Column E amount minus any Line 21c Column E entries plus the Column G entries on Lines 5e and 6c. Step 2) *Manual Addition*: Add the total of Column G Lines 5e and 6c minus Line 21c Column G entries from the previous quarter's form CB-496, Part 3 report to account for the one additional quarter funded through grant award authority, but not yet subject to expenditure reporting.

❖ *(Enter amounts directly in Columns E and G for Capped Allocation projects where 75 percent FFP rate funding categories are considered in the CNL. These entries are determined from amounts reported on this and the prior quarter's Part 3 submissions as noted above).*

**Line 19a. FMAP Rate - Cumulative Demonstration Operational Costs in Excess of Capped Allocation**

– The amount reported represents any currently reported or previously funded project operational costs at the FMAP rate that exceed the cumulative Capped Allocation identified on this report. This line is automatically calculated based on equivalent column entries on Lines 17a and 18a. The formula applied is as follows: Line 18a minus Line 17a. Amounts in Column E are treated as zero (0) if the result is a negative number. A positive number is recorded as calculated. The result of these steps is entered in Columns E and G of this line and constitutes the cumulative amount in excess of the Capped Allocation for the FMAP rate funding category. It should be noted that if this total exceeds the total reported on Lines 5a plus 6a, a portion of previously funded costs are now also in excess of the calculated Capped Allocation. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 19b. 50 percent FFP Rate - Cumulative Demonstration Operational Costs in Excess of Capped Allocation**

– The amount reported represents any currently reported or previously

funded project operational costs at the 50 percent FFP rate that exceed the cumulative Capped Allocation identified on this report. This line is automatically calculated based on entries on Lines 17b and 18b. The formula applied is the following: Line 18b minus Line 17b. Amounts in Column E are treated as zero (0) if the result is a negative number. A positive number is recorded as calculated. The result of these steps, including negative amounts, is entered in Columns E and G of this line and constitutes the cumulative amount in excess of Capped Allocation for the 50 percent FFP rate funding category. It should be noted that if this total exceeds the total reported on Lines 5b, 5c, 5d plus 6b, a portion of previously funded costs are now also in excess of the calculated Capped Allocation. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 19c. 75 percent FFP Rate - Cumulative Demonstration Operational Costs in Excess of Capped Allocation** – The amount reported represents any currently reported or previously funded project operational costs at the 75 percent FFP rate that exceed the cumulative Capped Allocation identified on this report. This line is automatically calculated based on entries on Lines 17c and 18c. The formula applied is the following: Line 18c minus Line 17c. Amounts in Column E are treated as zero (0) if the result is a negative number. A positive number is recorded as calculated. The result of these steps (including negative amounts) is entered in Columns E and G of this line and constitutes the cumulative amount in excess of Capped Allocation for the 75 percent FFP rate funding category. It should be noted that if this total exceeds the total reported on Lines 5c plus 6c, a portion of previously funded costs are now also in excess of the calculated Capped Allocation. No reconciliation will be made for this potential funding overage until the quarter in which claiming for project operations is completed.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 20a. FMAP Rate - Fundable Portion of Total Quarterly Project Operational Costs -** Amounts are initially calculated in Columns E and G only. The amount entered is equal to the same column amount on Line 5a plus 6a minus Line 21a. This is the maximum amount of the reported costs subject to Federal funding as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on Line 5a plus 6a, the remaining Line 20a columns are automatically completed by copying data from Line 5a plus 6a. However, if there is a difference between these totals, the resulting Line 20a total computable expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5a plus 6a, Columns A and C. The amounts entered in the Federal share columns (Columns B, D, F and H) are also automatically calculated by dividing the total computable amount (Columns A, C and G) by the calculated FFP rate. The calculated FFP rate is equal to the Line 5a plus 6a Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 20b. 50 percent FFP Rate - Fundable Portion of Total Quarterly Project Operational Costs** - Amounts are initially calculated in Columns E and G only. The amount entered is equal to the sum of the same column amount on Lines 5b, 5c, 5d and 6b, minus line 21b. This is the maximum amount of the reported costs subject to Federal funding as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on Lines 5b, 5c, 5d and 6b, the remaining Line 20b columns are automatically completed by

copying data from the sum of Lines 5b, 5c, 5d and 6b. However, if there is a difference between these totals, the resulting Line 20b total computable expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5b, 5c, 5d and 6b, Columns A and C. The amounts entered in the Federal share columns (Columns B, D, F and H) are also automatically calculated by dividing the total computable amount (Columns A, C and G) by the calculated FFP rate. The calculated FFP rate is equal to the sum of Lines 5b, 5c, 5d and 6b Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 20c. 75 percent FFP Rate - Fundable Portion of Total Quarterly Project Operational Costs** - Amounts are initially calculated in Columns E and G only. The amount entered is equal to the same column amount on Line 5e plus 6c minus Line 21c. This is the maximum amount of the reported costs subject to Federal funding as of the date reported. If these expenditure/estimate amounts match the amounts reported in the equivalent columns on Line 5e plus 6c, the remaining Line 20c columns are automatically completed by copying data from Line 5e plus Line 6c. However, if there is a difference between these totals, the resulting Line 20c total computable expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5e plus 6c, Columns A and C. The amounts entered in the Federal share columns (Columns B, D, F and H) are also automatically calculated by dividing the total computable amount (Columns A, C and G) by the calculated FFP. The calculated FFP rate is equal to the Line 5e plus 6c Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 21a. FMAP Rate - Non-Fundable Portion of Total Quarterly Project Operational Costs** - This line represents the amount of any reported FMAP rate operational cost claims that exceed the Capped Allocation calculation. Amounts are initially calculated in Columns E and G only. The amount entered is determined by comparing the Line 5a plus Line 6a subtotal to the line 19a entry in the same column. If this subtotal exceeds or equals the line 19a entry, the full amount of the line 19a entry is entered in the same column on line 21a. If the calculated subtotal is less than the line 19a entry in the same column, the formula used is as follows: [line 19a – (line 19a – line 5a – line 6a)]. *Special Note: If the sum of the column E amounts on Lines 5a plus 6a results in a negative number, no further calculations are needed and a zero is entered in column F on this line. This step is necessary to permit acceptance of net decreasing adjustments in a funding category without applying a cost neutrality related impact.* The result of this calculation is the portion (if any) of the reported project operational costs subject to Federal funding at the FMAP rate that exceed the calculated Capped Allocation and are thus non-fundable.

If the calculated Columns E and G amounts are equal to zero, the remaining Line 21a columns are automatically completed by entering zeroes. However, if Column E has a calculated entry greater than zero, the resulting Line 21a total computable expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5a and 6a, Columns A and C. The amounts entered in the Federal share columns (Columns B, D, F and H) are also automatically calculated by multiplying the total computable amount (Columns A, C and G) by the calculated FMAP rate.

The calculated FMAP rate is equal to the Line 5a plus Line 6a Federal share amount in the same column divided by the associated total computable column (e.g., Column B/Column A).

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 21b. 50 percent FFP Rate - Non-Fundable Portion of Total Quarterly Project**

**Operational Costs** - This line represents the amount of any reported 50 percent FFP rate operational cost claims that exceed the Capped Allocation calculation. Amounts are initially calculated in Columns E and G only. The amount entered is determined by comparing the Lines 5b, 5c, 5d and 6b subtotal to the line 19b entry in the same column. If this subtotal exceeds or equals the line 19b entry, the full amount of the line 19b entry is entered in the same column on line 21b. If the calculated subtotal is less than the line 19a entry in the same column, the formula used is as follows:  $[\text{line 19b} - (\text{line 19b} - \text{line 5b} - \text{line 5c} - \text{line 5d} - \text{line 6b})]$ . *Special Note: If the sum of the column E amounts on Lines 5b-5d plus 6a results in a negative number, no further calculations are needed and a zero is entered in column F on this line. This step is necessary to permit acceptance of net decreasing adjustments in a funding category without applying a cost neutrality related impact.* The result of this calculation is the portion (if any) of the reported project operational costs subject to Federal funding at the 50 percent FFP rate that exceed the calculated Capped Allocation and are thus non-fundable.

If the calculated Columns E and G amounts are equal to zero, the remaining Line 21b columns are automatically completed by entering zeroes. However, if Column E has a calculated entry greater than zero, the resulting Line 21b total computable expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5b, 5c, 5d and 6b, Columns A and C. The amounts entered in the Federal share columns (Columns B, D, F and H) are also automatically calculated by multiplying the total computable amount (Columns A, C and G) by the 50 percent FFP rate.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 21c. 75 percent FFP Rate - Non-Fundable Portion of Total Quarterly Project**

**Operational Costs** - This line represents the amount of any reported 75 percent FFP rate operational cost claims that exceed the Capped Allocation calculation. Amounts are initially calculated in Columns E and G only. The amount entered is determined by comparing the Line 5e plus Line 6c subtotal to the line 19c entry in the same column. If this subtotal exceeds or equals the line 19c entry, the full amount of the line 19c entry is entered in the same column on line 21c. If the calculated subtotal is less than the line 19c entry in the same column, the formula used is as follows:  $[\text{line 19c} - (\text{line 19c} - \text{line 5e} - \text{line 6c})]$ . *Special Note: If the sum of the column F amounts on Lines 5e plus 6c results in a negative number, no further calculations are needed and a zero is entered in column E on this line. This step is necessary to permit acceptance of net decreasing adjustments in a funding category without applying a cost neutrality related impact.* This is the portion (if any) of the reported project operational costs subject to Federal funding at the 50 percent FFP rate that exceed the calculated Capped Allocation and are thus non-fundable.

If the calculated Columns E and G amounts are equal to zero, the remaining Line 21c columns are automatically completed by entering zeroes. If, however, Column E has a calculated entry greater than zero, the resulting Line 21c total computable expenditure amount is automatically apportioned between current and prior quarter amounts in accordance with the relative percentages attributable to each category on Lines 5e and 6c, Columns A and C. The amounts

entered in the Federal share columns (Columns B, D, F and H) are also automatically calculated by multiplying the total computable amount (Columns A, C and G) by the 75 percent FFP rate.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 22a. FMAP Rate - Cumulative Holding Account (Unfunded Operational Costs In Excess of Capped Allocation)** - A cumulative holding account balance for the FMAP rate Capped Allocation calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 19a total, it can differ based on prior project operations. An entry is calculated only in Column E. The amount reported is the cumulative total current balance of the holding account for this funding rate. That number is equal to the Line 21a of the current report plus Line 22a from the previous quarter's demonstration Project, CB-496 Part 3 report, minus any adjustments.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 6a (demonstration project intervention and other waiver-based expenditures). When unused portions of a Capped Allocation are identified, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration project operations if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration expenditures. However, Federal regulations at 45 CFR 95.7, impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement. It should also be noted that in accordance with the Cash Management Improvement Act, title IV-E funds granted in a Federal fiscal year (FFY) remain available for a total of five FFYs and are then recovered as part of a close-out if not reported as expended.

❖ *(Enter an amount, if any, for Capped Allocation projects in Column E only. This entry is derived both from data reported elsewhere on this submission and any entry on Line 16a from the previous quarter's report as noted above.)*

**Line 22b. 50 percent FFP Rate - Cumulative Holding Account (Unfunded Operational Costs In Excess of Capped Allocation)** - A cumulative holding account balance for the 50 percent FFP rate Capped Allocation calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 19b total, it can differ based on prior project operations. An entry is calculated only in Column E. The amount reported is the cumulative total current balance of the holding account for this funding rate. That number is equal to the Line 21b of the current report plus Line 22b from the previous quarter's demonstration project, form CB-496, Part 3 report, minus any adjustments.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 6b (project intervention and other waiver based expenditures). When unused portions of a capped allocation are identified, the title IV-E agency should consider using these funds first as

reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration operations if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration expenditures. However, Federal regulations at 45 CFR 95.7, impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement. It should also be noted that in accordance with the Cash Management Improvement Act, title IV-E funds granted in a FFY remain available for a total of five FFYs and are then recovered as part of a close-out if not reported as expended.

❖ *(Enter an amount, if any, for Capped Allocation projects in Column E only. This entry is derived both from data reported elsewhere on this submission and any entry on Line 16a from the previous quarter's report as noted above.)*

**Line 22c. 75 percent FFP Rate - Cumulative Holding Account (Unfunded Operational Costs In Excess of Capped Allocation)** - A cumulative holding account balance for the 75 percent FFP rate Capped Allocation calculation must be established to assure that these reported expenditures are properly tracked. Although this amount will sometimes be equal to the Line 19c total, it can differ based on prior project operations. An entry is calculated only in Column E. The amount reported is the cumulative total current balance of the holding account for this funding rate. That number is equal to the Line 21c of the current report, plus Line 22c from the previous quarter's demonstration projects, form CB-496, Part 3 report, minus any adjustments.

Adjustments to the holding account can result from either a determination that an amount is no longer reimbursable or a movement of previously reported holding account amounts to Line 6c (project intervention and other waiver based expenditures). When unused portions of a Capped Allocation are identified, the title IV-E agency should consider using these funds first as reimbursement of holding account expenditures. Supporting documentation should be maintained by the title IV-E agency to demonstrate the results of this analysis of the holding account amount each quarter.

Amounts should not ordinarily remain in the holding account beyond the last quarter during which the associated waiver demonstration project is operational in accordance with the approved terms and conditions. The holding account entry may continue to be reported for several quarters after the completion of the demonstration operations if the title IV-E agency intends to report prior quarter adjustments (for periods when the project was in operation) to demonstration expenditures. However, Federal regulations at 45 CFR 95.7 impose time constraints for the reporting of increasing adjustment claims. Any amounts pending beyond this limit should be removed from the holding account as no longer subject to reimbursement. It should also be noted that in accordance with the Cash Management Improvement Act, title IV-E funds granted in a FFY remain available for a total of five FFYs and are then recovered as part of a close-out if not reported as expended.

❖ *(Enter an amount, if any, for Capped Allocation projects in Column E only. This entry is derived both from data reported elsewhere on this submission and any entry on Line 16a from the previous quarter's report as noted above.)*

## Section C – Project Savings/Unused Allocations

### Overview

This section provides the cumulative (life of the project) available funding for additional project operations including activities that are title IV-E allowable or approved project interventions and other services.

Project interventions are those forms of assistance and the provision of activities specifically approved as part of the demonstration strategy to achieve identified goals. These cost components are not allowable for title IV-E reimbursement absent the waiver authority. Provision of other services includes all other project operational expenditures that are in accordance with the waivers provided through the demonstration terms and conditions and that are not reported elsewhere in this Part for title IV-B or title IV-E purposes.

The cumulative funds available after the reporting of all project operational costs are typically referred to as expenditure of “savings” for experimental design projects since they include funds that under the cost neutrality limit (CNL) would have been spent for title IV-E allocable costs if no waiver authority had been granted. In capped allocation projects, such amounts are properly classified as “unused allocations” since they represent the difference between total operational costs and the available allocation. Although savings are generated through specific title IV-E funding activity categories (e.g., maintenance assistance payments) to assure title IV-E cost neutrality, savings amounts available through each funding category may be expended for any project intervention or other purpose authorized in the project terms and conditions.

**I. Experimental Design Projects** – Complete ONLY Lines 23a – 23b (as applicable) if reporting financial data for a project designated with an “Experimental Design” CNL.

**Line 23a. Maintenance Payments (FMAP Rate) - Title IV-E Savings Remaining Available for Expenditure** - This line represents the amount of savings generated during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the FMAP rate. It consists of the total over the life of the project’s operations by which the FMAP rate CNL exceeds currently reported and previously funded FMAP rate expenditures. The calculation includes Line 11a minus Line 12a. This amount is reported as Federal share only in Column F. An entry of zero (0) is made unless the result of the calculation is a positive number. For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column F and a Column E entry is calculated to display the estimated total computable amount of savings. These amounts are labeled as “estimated” since the savings may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

❖ (No entries are required. All columns are calculated for Experimental Design projects as noted above.)

**Line 23b. Administration (50 percent FFP Rate) - Title IV-E Savings Remaining Available for Expenditure** - This line represents the amount of savings generated during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the 50 percent FFP rate. It consists of the total over the life of the project’s operations by which the 50 percent FFP rate CNL exceeds currently reported and previously funded 50 percent FFP rate expenditures. The calculation includes Line 11b minus Line 12b. This amount is reported

as Federal share only in Column F. An entry of zero (0) is made unless the result of the calculation is a positive number. For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column F and a Column E entry is calculated to display the estimated total computable amount of savings. These amounts are labeled as “estimated” since the savings may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

❖ *(No entries are required. All columns are calculated for Experimental Design projects as noted above.)*

**II. Capped Allocation Projects** – Complete ONLY Lines 24a – 24c (as applicable) if reporting financial data for a project designated with a “Capped Allocation” CNL.

**Line 24a. FMAP Rate - Cumulative Title IV-E Capped Allocation Remaining Available for Expenditure** - This line represents the amount of the Capped Allocation during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the FMAP rate. It consists of the total over the life of the project’s operations by which the FMAP rate Capped Allocation exceeds currently reported and previously funded FMAP rate expenditures. The calculation includes Line 17a minus Line 18a. This amount is reported as total computable only in Column E. An entry of zero (0) is made unless the result of the calculation is a positive number. For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column E along with a Column F Federal share amount. These amounts are labeled as “estimated” since the unused allocation may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 24b. 50 percent FFP Rate - Cumulative Title IV-E Capped Allocation Remaining Available for Expenditure** - This line represents the amount of the Capped Allocation during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the 50 percent FFP rate. It consists of the total over the life of the project’s operations by which the 50 percent FFP rate Capped Allocation exceeds currently reported and previously funded 50 percent FFP rate expenditures. The calculation includes Line 17b minus Line 18b. This amount is reported as total computable only in Column E. An entry of zero (0) is made unless the result of the calculation is a positive number. For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column E along with a Column F Federal share amount. These amounts are labeled as “estimated” since the unused allocation may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 24c. 75 percent FFP Rate - Cumulative Title IV-E Capped Allocation Remaining Available for Expenditure** - This line represents the amount of the Capped Allocation during the life of the demonstration project now remaining available for expenditure with Federal reimbursement at the 75 percent FFP rate. It consists of the total over the life of the project’s operations by which the 75 percent FFP rate Capped Allocation exceeds currently reported and previously funded 75 percent FFP rate expenditures. The calculation includes Line 17c minus

Line 18c. This amount is reported as total computable only in Column E. An entry of zero (0) is made unless the result of the calculation is a positive number. For informational purposes only, a special Column H entry is calculated to identify the estimated title IV-E agency share that would be required to be expended to claim the full amount shown in Column E along with a Column F Federal share amount. These amounts are labeled as “estimated” since the unused allocation may actually be expended in a subsequent FFY where the matching rate may differ from that applied to reported current quarter claims on this report.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

## **Section D - Fundable Claims/Estimates**

### **Overview**

This section summarizes total fundable claims and estimates for all demonstration projects identified for a title IV-E program. The total fundable amounts (Line 25c) are then transferred to Part 1 of form CB-496 to incorporate them into the reported program totals utilized in calculating grant awards.

**Line 25a. Experimental Design Projects Subtotal** - This line equals the sum of Lines 3 4, 14a and 14b.

❖ *(No entries are required. All columns are calculated for Experimental Design projects as noted above.)*

**Line 25b. Capped Allocation Design Projects Subtotal** - *[This line is automatically calculated for Capped Allocation Design projects. No entries are required.]* - This line equals the sum of Lines 7, 8, 20a, 20b and 20c.

❖ *(No entries are required. All columns are calculated for Capped Allocation projects as noted above.)*

**Line 25c. All Program Projects Total** - *[This line is automatically calculated. No entries are required.]* This line equals the sum of Lines 25a plus line 25b. The entries on line 25c must be transferred (in the appropriate columns) to form CB-496, Part 1, Line 17 for Foster Care, Line 27 for Adoption Assistance or Line 37a for Guardianship Assistance projects.

❖ *(No entries are required. All columns are calculated as noted above.)*

**Line 25d. Title IV-E Agency Share of All Program Projects Total Estimates** - Amount of non-Federal funds applicable to Line 25c that the title IV-E agency is certifying as available as matching funds for the demonstration project in the upcoming quarter. Calculated in Column H as: Line 25c (Column G) minus line 25c (Column H).

❖ *(No entry required. Column H is calculated as noted above.)*

## Part 4: Annual Adoption Savings Calculation and Accounting Report

(This Part is to be submitted for one period each year (with the 4<sup>th</sup> quarter current quarter report) and is applicable to all states or tribes with an approved title IV-E plan.)

### ANNUAL ADOPTION SAVINGS CALCULATION AND ACCOUNTING REPORT

#### General Instructions:

Each title IV-E agency must report any annual calculated adoption savings and the expenditure of identified adoption savings on Part 4 of Form CB-496. This requirement is in accordance with section 473 (a)(8)(B) of the Act. *Adoption Savings* consist of specified title IV-E Adoption Assistance claimed costs on behalf of an *Applicable Child Only Status* case (see definitions below). All Part 4 entries are to be made in accordance with these instructions and any approved title IV-E agency *Annual Adoption Savings Calculation Methodology*.

Completion of Part 4 will require the development and maintenance of schedules to accumulate needed caseload and cost data by the title IV-E agency. The data used to calculate adoption savings may either reflect actual amounts as derived from the title IV-E agency's management system or calculated amounts in accordance with either the *Children's Bureau (CB) Annual Adoption Savings Calculation Methodology* or an *Alternate Approved Method* (see definitions below).

Title IV-E agencies must submit Part 4 of this report annually with the Form CB-496 report for the current quarter ended September 30<sup>th</sup> of each year. Each Part 4 submission covers an entire federal fiscal year (FFY). Part 4 reporting is required beginning with FFY 2015. The Part 4 must be submitted even if the annual calculation results do not identify any adoption savings.

Column A of Part 4, entitled "Current FFY", includes amounts for the four quarters in the current FFY reporting period. The section A, Column A entries are primarily derived from amounts reported on Form CB-496 Part 1 Adoption Assistance lines as current quarter amounts in one of the four quarters of the current FFY. Any prior quarter adjustment claims submitted on Form CB-496 reports for quarters during the current FFY where the adjustment is identified (Part 2, Column D) as being applicable for a quarter within the current reporting FFY are, however, also considered in Column A of Part 4. There is no provision to submit adjustments to amounts reported in Part 4 in either Column A or Column B. If it is determined that information submitted on a CB-496 Part 4 is incorrect, a revised report for that reporting period must be submitted.

Column B of Part 4, entitled "Prior Reported FFYs – As Specified by Instructions", captures differing information depending on the section and the reporting line. The amounts reported in Column B are limited to prior FFYs for which Part 4 reporting was required. Since FFY 2015 is the first FFY subject to Part 4 reporting, the Part 4 submission for the FFY 2015 reporting period will not contain any entries in Column B. Likewise, a Part 4 submission for any subsequent FFY will include amounts in Column B that do not go back any further than FFY 2015. Additionally, it must be understood that unlike the "prior quarter adjustment" columns utilized in Parts 1 and 3 of Form CB-496, Part 4 Column B does not adjust previously reported amounts on each line. Instead, it addresses the calculation or expenditure of adoption savings with respect to periods before the current FFY.

In section A of Part 4, Column B generally (except as noted below) identifies the adoption savings related impact of those prior quarter adjustments (increasing or decreasing) submitted on a Form CB-496 Part 1 report for periods within the current FFY but identified (Part 2, Column D) as applicable to periods in prior FFYs. The Part 4, line 1 Column B data differs in that it reports the cumulative total calculated adoption savings from all previous FFYs for purposes of maintaining a running total of such amounts. Line 2, Column B also follows differing instructions in that it captures the number reported on the Part 4 submission (if any) for the immediately prior FFY.

In section B of Part 4, Column B generally (except as noted below) identifies expenditures from adoption savings that were made in a quarter that is prior to the identified current FFY reporting period. These expenditures are not “adjustments” in the sense that they are changing an amount previously reported on a Part 4 submission. The amounts reported are, instead, newly reported amounts that were paid in a prior FFY. The line 9 Column B data differs from the other section B lines in that it reports the cumulative total expenditure of calculated adoption savings from all previous FFYs for purposes of maintaining a running total of such amounts.

Part 4 Column C does not require any entries. It sums the amounts in Column A and Column B to identify a Total on each line. Note: Since FFY 2015 is the first reporting period for Part 4, the submission for this FFY will not have any amounts reported in Column B.

#### **Definitions:**

***Adoption Savings Reporting Periods*** – Each reporting period for adoption savings purposes consists of a federal fiscal year (FFY). The reporting period identified as the “current FFY” on each Part 4 submission is the FFY ending with the “current quarter” identified (4<sup>th</sup> quarter of the FFY) on Part 1 of the same quarterly Form CB-496 submission. The “prior FFY” reference in Part 4 refers to the FFY immediately before the current FFY. The “prior reported FFYs” reference in Part 4 refers to any FFY before that is subject to reporting of adoption savings in Part 4. This does not include a FFY before FFY 2015.

***Applicable Child*** - For title IV-E Adoption Assistance purposes, those children meeting the age related and other criteria specified at section 473(e) of the Social Security Act.

***Applicable Child Eligibility Criteria*** – For title IV-E Adoption Assistance purposes, the determination of program eligibility in accordance with special criteria at sections 473(a)(2)(A)(ii) and 473(a)(7) of the Act.

***Applicable Child Only Status*** – Those children who are subject to applicable child eligibility criteria that are determined as eligible for title IV-E adoption assistance, but would not be title IV-E eligible without applying such criteria. There will be some children who meet the criteria as an applicable child, but would have been eligible for title IV-E adoption assistance without considering that criteria. Such children are excluded from this definition.

***Annual Adoption Savings*** – The dollar amount of federal financial participation (FFP) over a federal fiscal year (FFY) of title IV-E claimed costs for adoption assistance which would have been borne entirely by the title IV-E agency (non-title IV-E reimbursable) which are now subject to title IV-E FFP only because of the determination of title IV-E eligibility based on applicable child only status.

**Annual Adoption Savings Calculation Methodology** – A set of procedures used to calculate annual adoption savings on behalf of title IV-E applicable child only cases (where actual amounts are not available) in accordance with section 473 ((a)(8)(A) of the Act. If a title IV-E cannot identify these actual amounts it must either use the Children’s Bureau calculation methodology (described below) or propose an alternate method that is subject to approval by the Children’s Bureau.

**Children’s Bureau (CB) Annual Adoption Savings Calculation Methodology** – A specific set of procedures used to calculate annual adoption savings on behalf of title IV-E applicable child only cases (either actual or calculated amounts depending on data availability) in accordance with section 473 ((a)(8)(A) of the Act. These procedures are available through ACYF-CB-PI-15-06, dated May 22, 2015 and involve identification of applicable child only status cases through random case sampling and the determination of title IV-E adoption assistance claims (in several funding categories on behalf of such cases through calculation of average claims per title IV-E assisted child.

**CB Method With Actual Amounts Annual Adoption Savings Calculation Methodology** – The procedures for annual adoption savings calculations using actual amounts follow the “Children’s Bureau (CB) Annual Adoption Savings Calculation Methodology” (see definition above) whereby actual amounts, as available, are substituted for case sampling results or statistical data in performing the annual adoption savings calculation. The substituted amounts include actual children within the title IV-E agency’s jurisdiction that were determined as meeting applicable child only status and on whose behalf specifically identified adoption assistance payments (if available) were title IV-E claimed during a FFY. The procedures for adoption savings calculations using actual amounts are available through ACYF-CB-PI-15-06, dated May 22, 2015.

**Alternate Approved Annual Adoption Savings Calculation Methodology** – A set of procedures proposed by a title IV-E agency and approved by the Children’s Bureau used to calculate annual adoption savings on behalf of title IV-E applicable child only cases (where actual amounts are not available) in accordance with section 473 ((a)(8)(A) of the Act. This methodology is then used as an alternate to the “Children’s Bureau Annual Adoption Savings Calculation Methodology” including use of that methodology with actual amounts. Any proposed alternate method must result in the calculation of annual adoption savings amounts in the funding categories reported in this Part that are reasonably close to amounts that would expect to be calculated using the Children’s Bureau Annual Adoption Savings Calculation Methodology. The procedures for developing proposals for adoption savings calculations using an alternate method are available through ACYF-CB-PI-15-06, dated May 22, 2015.

**Annual Adoption Savings Calculation Methodology Determination Notification** – Each title IV-E agency must annually notify the ACF Children’s Bureau of its decision to utilize the Children’s Bureau Annual Adoption Savings Calculation Methodology (either as published or with the substitution of actual amounts) for calculating adoption savings for each FFY or of its intention to pursue an Alternate Approved Method. The procedures and submission timing for such notices are available through ACYF-CB-PI-15-06, dated May 22, 2015.

#### Part 4 Report Heading Information

- Enter the name of the State or Tribe.
- Enter the Reporting Period which consists of the FFY for which current quarter expenditures are reported in Part 1 of this report.

- Check the appropriate box (i.e. “Children’s Bureau (CB) Method”, “CB Method With Actual Amounts”, or “Alternate Approved Method”) to indicate which annual adoption savings calculation methodology is used for this Part 4 submission. The selected methodology must be in accordance with the title IV-E agency’s “Annual Adoption Savings Calculation Methodology Determination Notification” and, if an “Alternate Approved Method” is chosen, the required Children’s Bureau’s approval of that method must have been granted prior to submission of this report. Note: If actual child specific data is used to complete lines 2 and 3, check “CB Method With Actual Amounts” even though the “Children’s Bureau (CB) Method” is otherwise used to calculate average claiming data used in reporting on line 5.
- Check the box to indicate whether this is a new report or a revision to a report previously submitted.
- Excel submission only - Enter the title IV-E agency’s applicable FMAP rate for the current FFY.
- Excel submission only - Enter the title IV-E agency’s applicable FMAP rate for the prior FFY. (OLDC submissions will automatically populate these fields)

## Part 4 Line by Line Instructions

### Section A – Adoption Savings Calculation

#### Overview

This section is for reporting the calculated adoption savings amounts. The adoption savings calculated are derived from title IV-E Adoption Assistance program claims submitted on Form CB-496 Part 1 in the reporting period within the funding categories of assistance payments and administrative costs - agency. The calculations are made in accordance with the Children’s Bureau (CB) Method, CB Method With Actual Amounts or an Alternate Approved Method. With the possible exception of an alternate approved method all calculations involve use of the average monthly number of children in the reporting period determined as applicable child only status cases. All dollar amounts reported in Section A, as per line item instructions, either consist of title IV-E total computable claims or the federal share of such amounts.

**Line 1. Prior Reported FFYs - Total Cumulative Calculated Adoption Savings (All Categories)** – This line includes the cumulative total of adoption savings calculated and reported on Form CB-496 Part 4 in those reporting periods consisting of for all prior FFYs. If an entry is needed, it is made only in Column B since this line does not contain any amounts sourced from the current FFY. The entry must be taken directly from the amount reported on the CB-496 Part 4 for the immediately prior FFY on line 8, Column C. Note: Since FFY 2015 is the first reporting period for the Part 4, Column B on this line should be left blank on the FFY 2015 reporting period submission.

❖ *(Enter amounts directly on this form in Column B only.)*

**Line 2. Average Monthly Number of Children: Current FFY & Prior FFY Title IV-E Adoption Assistance Payments “Applicable Child Only” Status** – The entry on this line consists of a portion of the universe of the average monthly number of children reported on Form CB-496 Part 1, line 45 as current quarter children assisted for the four quarters during a FFY. The appropriate “applicable child” portion to be entered can be derived from Actual Amounts, through application of the Children’s Bureau Methodology or through an Alternate Approved Method. If an alternate approved method does not include the counting of applicable children, an entry of “N/A” should be made on line 2. The current FFY entry must be made in Column A based on data for the reporting period FFY. The Column B entry consists of the same

information for the immediately prior FFY only if that FFY is subject to Part 4 reporting (FFYs 2015 and later). This data is as reported on Part 4, line 2, Column A for that FFY. If the prior FFY was not one that is subject to Part 4 reporting (i.e. FFYs 2015 and later), leave Column B blank.

The reported line 2 numbers are a factor used (except for a possible exception for an alternate approved method) to calculate the portion of the current FFY title IV-E Adoption Assistance claims (current quarter and prior quarter adjustments for periods when adoption savings reporting is required) attributable to applicable children. Note: Since FFY 2015 is the first reporting period for the Part 4, Column B on this line should be left blank on the FFY 2015 reporting period submission. Column C is not used for this line.

❖ *(Enter amounts directly on this form in Column A and Column B only.)*

**Line 3. Adoption Assistance Payments (Total Computable) On Behalf of Line 2 Applicable Children** – This line consists of the actual or calculated (using an approved method) total computable amount of title IV-E adoption assistance payments on behalf of the applicable child only status cases identified on Part 4, line 2 (unless not required to be reported as part of an alternate approved method) that were claimed on Form CB-496 Part 1 submissions for the four quarters of the reporting period (current FFY) as either current quarter expenditures or as prior quarter adjustments. The Column A entry is derived from amounts reported as either current quarter claims or as prior quarter adjustment claims where the applicable fiscal quarter ended is within the current FFY. The Column B entry is derived from any amounts reported as prior quarter adjustment claims where the applicable fiscal quarter ended is within a FFY that is prior to the current FFY, but among those subject to adoption savings reporting. The pool of title IV-E claims subject to consideration in reporting this amount is as follows: Current FFY Form CB-496 Part 1, lines 21 and 22 Column A entries plus any Column C entries identified in Part 2 as applicable to a fiscal quarter ended that is within a FFY subject to adoption savings reporting. Note: Since FFY 2015 is the first reporting period for the Part 4, Column B on this line should be left blank on the FFY 2015 reporting period submission. Column C is the total of the entries in columns A and B.

❖ *(Enter amounts directly on this form in Column A and Column B only. Column C is the calculated total of these entries.)*

**Line 4. Calculated Adoption Assistance Payment Savings On Behalf of Line 2 Applicable Children (FMAP Rate Federal Share of Line 3)** – This line represents the amount of savings to the title IV-E agency associated with title IV-E adoption assistance payment claims. The federal funding identified would not otherwise have been received absent the availability of the applicable child eligibility criteria. It is generally calculated (not necessarily where an alternate approved method is used) by multiplying the Part 4, line 3 amount by the applicable FMAP rate (current FFY FMAP rate for Column A and prior FFY FMAP rate for Column B). The Column C total is the sum of columns A and B.

❖ *(No entries are required. All columns are calculated as noted above.)*

**Line 5. Adoption Assistance Administration (Total Computable) On Behalf of Line 2 Applicable Children** – This line consists of the actual or calculated (using an approved method) total computable amount of title IV-E adoption assistance administrative cost – agency claims on behalf of the applicable child only status cases identified on Part 4, line 2 (unless not required to be reported as part of an alternate approved method) that were claimed on CB-496 Part 1 submissions for the four quarters of the reporting period (current FFY) as either current

quarter expenditures or as prior quarter adjustments. The Column A entry is derived from amounts reported as either current quarter claims or as prior quarter adjustment claims where the applicable fiscal quarter ended is within the current FFY. The Column B entry is derived from any amounts reported as prior quarter adjustment claims where the applicable fiscal quarter ended is within a FFY that is prior to the current FFY, but among those subject to adoption savings reporting. The pool of title IV-E claims subject to consideration in reporting this amount is as follows: Current FFY Form CB-496 Part 1, line 23 Column A entries plus any Column C entries identified in Part 2 as applicable to a fiscal quarter ended that is within a FFY subject to adoption savings reporting. Note: Since FFY 2015 is the first reporting period for the Part 4, Column B on this line should be left blank on the FFY 2015 reporting period submission. Column C is the total of the entries in columns A and B.

❖ *(Enter amounts directly on this form in Column A and Column B only. Column C is the calculated total of these entries.)*

**Line 6. Calculated Adoption Assistance Administration Savings On Behalf of Line 2 Applicable Children (50% Federal Share Rate of Line 5)** – This line represents the amount of savings to the title IV-E agency associated with title IV-E adoption assistance administrative costs – agency claims. The federal funding identified would not otherwise have been received absent the availability of the applicable child eligibility criteria. It is generally calculated (not necessarily where an alternate approved method is used) by multiplying the Part 4, line 5 amount in columns A and B by the federal financial participation (FFP) rate applicable for administration (50% FFP). The Column C total is the sum of columns A and B.

❖ *(No entries are required. All columns are calculated as noted above.)*

**Line 7. Reporting Period - Total Calculated Adoption Savings (All Categories) On Behalf of Line 2 Applicable Children** – This line represents the total calculated amount of adoption savings to the title IV-E agency represented through the federal share of title IV-E claims on behalf of applicable child only status cases. The federal funding identified would not otherwise have been received absent the availability of the applicable child eligibility criteria. The amounts reported in each column are calculated from the sum of the corresponding amounts on lines 4 and 6 in this Part.

❖ *(No entries are required. All columns are calculated as noted above.)*

**Line 8. Cumulative - Total Calculated Adoption Savings (All Categories) Available For Expenditure (lines 1 + 7)** – This line represents the cumulative total calculated amount of adoption savings for all FFYs subject to adoption savings reporting. The amounts reported in each column are calculated from the sum of the amount on lines 1 and 7 in this Part.

❖ *(No entries are required. All columns are calculated as noted above.)*

## **Section B – Adoption Savings Expenditures**

### **Overview**

This section is for reporting the actual expenditure of calculated adoption savings amounts. The expenditure amounts to be reported are limited to adoption savings calculated and reported on a Part 4 in section A. Therefore, the cumulative total expenditures reported on line 14 must not exceed the cumulative total calculated adoption savings reported on line 8 of this Part. In

section B, columns A and B refer to the period in which a reported expenditure was made. Column A is used to report expenditures made in the “Current FFY” and Column B identifies expenditures made in a “Prior Reported FFY”. A reported FFY is one that is subject to adoption savings reporting (no earlier than FFY 2015). Only additional amounts not previously reported should be entered on this line. Any decreasing adjustments to previously reported amounts must be reported through submission of a revised Part 4 report for the applicable current reporting period.

Amounts reported in section B must be actual expenditures (see the definition of *Expenditures* in Part 1 of these instructions) of non-federal funds that are not also claimed for either federal reimbursement or as matching funds to secure federal financial participation. Reported expenditures are limited to services and items that are allowable for purposes of title IV-B and title IV-E programs in accordance with section 473(a) (8)(D)(i) of the Act. These expenditures must also, in accordance with section 473(a)(8)(D)(ii) of the Act, supplement, not supplant, any federal or non-federal funds used to provide any service under titles IV-B or IV-E. Title IV-E agencies are also reminded that if any costs reported as adoption savings expenditures are part of a pool of costs that are subject to inclusion in a public assistance cost allocation plan (PACAP) or a cost allocation methodology (CAM) they must be appropriately addressed in those documents as per 45 CFR 1356.60(c) and other applicable cost allocation requirements.

Although specific expenditures do not need to be associated with adoption savings calculated for a particular current FFY, amounts reported as expenditures of adoption savings must be expended no earlier than the current FFY in which equivalent levels of adoption savings were calculated and reported in Part 4. For example, if a title IV-E agency first calculates adoption savings in the FFY 2016 Form CB-496 Part 4 “Current FFY” reporting period; it cannot classify FFY 2015 expenditures as a use of the FFY 2016 calculated adoption savings.

**Line 9. Prior Reported FFYs - Total Cumulative Expenditure of Calculated Adoption Savings (Line 1 Amount)** – This line includes the cumulative total of calculated adoption savings that were expended and reported on Form CB-496 Part 4 in those Part 4 reporting periods consisting of all prior FFYs. If an entry is needed, it is made only in Column B since this line does not contain any amounts sourced from the current FFY. The entry must be taken directly from the amount reported on the CB-496 Part 4 for the immediately prior FFY on line 14, Column C. Note: Since FFY 2015 is the first reporting period for the Part 4, Column B on this line should be left blank on the FFY 2015 reporting period submission.

❖ *(Enter amounts directly on this form in Column B only.)*

**Line 10. Reporting Period - Expenditures of Adoption Savings On Post-Adoption or Post-Guardianship Services (from line 8 amount)** – This line consists of the actual title IV-E agency expenditures (without federal matching funds) of calculated cumulative adoption savings for the purposes of providing post-adoption or post-guardianship services. Amounts reported include expenditures made in the current FFY (in Column A) and any expenditures made in a prior FFY subject to Part 4 reporting (Column B) that have not previously been reported on a Part 4 submission.

❖ *(Enter amounts directly on this form in Column A and Column B only. Column C is the calculated total of these entries.)*

**Line 11. Reporting Period - Expenditures of Adoption Savings On Services for Children At Risk of Foster Care (from line 8 amount)** – This line consists of the actual title IV-E agency expenditures (without federal matching funds) of calculated cumulative adoption savings for the purposes of providing services to support positive permanent outcomes for children at risk of entering foster care. Amounts reported include expenditures made in the current FFY (in Column A) and any expenditures made in a prior FFY subject to Part 4 reporting (Column B) that have not previously been reported on a Part 4 submission.

❖ *(Enter amounts directly on this form in Column A and Column B only. Column C is the calculated total of these entries.)*

**Line 12. Reporting Period - Expenditures of Adoption Savings On Other Title IV-B or Title IV-E Allowable Services (from line 8 amount)** – This line consists of the actual title IV-E agency expenditures (without federal matching funds) of calculated cumulative adoption savings for the purposes of providing title IV-B or title IV-E allowable services other than those specified for reporting on lines 10 and 11 of this Part. Amounts reported include expenditures made in the current FFY (in Column A) and any expenditures made in a prior FFY subject to Part 4 reporting (Column B) that have not previously been reported on a Part 4 submission.

❖ *(Enter amounts directly on this form in Column A and Column B only. Column C is the calculated total of these entries.)*

**Line 13. Reporting Period - Total Expenditures of Calculated Adoption Savings (lines 10 + 11 + 12)** – This line represents the total amount of title IV-E agency expenditures (without federal matching funds) reported in this FFY reporting period designated as expenditures of calculated cumulative adoption savings. The amounts reported in each column are calculated from the sum of the amount on lines 10, 11 and 12 in this Part.

❖ *(No entries are required. All columns are calculated as noted above.)*

**Line 14. Cumulative - Total Expenditures of Calculated Adoption Savings (lines 9 + 13)** – This line represents the cumulative total for all Part 4 reporting periods of title IV-E agency expenditures (without federal matching funds) designated as expenditures of calculated cumulative adoption savings. The amounts reported in each column are calculated from the sum of the amount on lines 9 and 13 in this Part.

❖ *(No entries are required. All columns are calculated as noted above.)*

## **Section C – Unexpended Adoption Savings**

### **Overview**

This section identifies the calculated amounts of cumulative adoption savings (lines 1 and 8) which have not yet been reported in section B of Part 4 as expended by the title IV-E agency. These balances are identified as of the following points: 1) close of the immediately prior FFY reporting period; 2) with respect to identified adoption savings and expenditures for the current FFY, and; 3) as a cumulative total at the end of the current FFY. Calculated adoption savings amounts are not required to be expended in the same FFY as when they are identified. Ultimately, however, all identified adoption savings must be expended in accordance with section 473(a)(8)(D)(i) of the Social Security Act.

**Line 15. Prior Reported FFYs - Unexpended Balance of Calculated Adoption Savings (line 1 – line 9)** – This line identifies the portion of the cumulative total of Part 4 previously

reported adoption savings calculated before the current FFY that were not reported as expended in a prior FFY. It thus establishes the full balance of reported adoption savings available for expenditure by the title IV-E agency as of the end of the prior FFY. Since only prior FFYs are addressed a calculation is made only in column B. This entry is the calculated difference between the entry on line 1 and line 9. The same entry is also shown in Column C. This total should equal the amount calculated on the immediately prior FFY Part 4 report (if any) on line 16 in Column C since it reflects amounts from all previous reports. Note: Since FFY 2015 is the first reporting period for the Part 4, the calculated amount on this line will equal \$0 for the FFY 2015 reporting period submission.

❖ *(No entries are required. Columns B and C are calculated as noted above.)*

**Line 16. Reporting Period - Unexpended Balance of Calculated Adoption Savings (line 7 – line 13)** – This line identifies the portion of the calculated adoption savings reported on this Part 4 submission (both as Current FFY and as Prior Reported FFYs) that were not reported as expended on this Part 4 submission. It thus establishes the portion of newly identified adoption savings that have been expended before the close of the current FFY. Since there may be an unexpended balance of adoption savings from a prior FFY which is expended in the current FFY, it is possible that the calculated amounts can contain a negative number (i.e. reported expenditures exceed reported adoption savings). Columns A and B entries are the calculated difference between the entries on lines 7 and 13. Column C is calculated as the total of columns A and B.

❖ *(No entries are required. All columns are calculated as noted above.)*

**Line 17. Cumulative - Unexpended Balance of Calculated Adoption Savings (line 15 + line 16)** – This line identifies the cumulative portion of the calculated adoption savings reported on all Part 4 submissions that were not reported as expended. It thus also establishes the portion of identified cumulative adoption savings that have been expended before the close of the current FFY. The amounts reported in each column are calculated from the sum of the amount on lines 15 and 16 in this Part.

❖ *(No entries are required. All columns are calculated as noted above.)*