

**CHILD CARE AND DEVELOPMENT FUND ACF-696 FINANCIAL REPORT**

STATE	FISCAL YEAR	SUBMISSION (MARK ONE BOX)	REPORT QTR. ENDED:
	GRANT DOCUMENT #	ORIGINAL [ ] REVISED [ ] FINAL [ ]	NEXT QTR. BEGINNING:

**CUMULATIVE FISCAL YEAR TOTALS**

	(COLUMN A) MANDATORY FUNDS (Federal Share Only)	(COLUMN B) MATCHING FUNDS AT FMAP RATE OF _% (Federal and State Share)	(COLUMN C) DISCRETIONARY FUNDS (Federal Share Only)	(COLUMN D) MOE (State Share Only)
1. TOTAL	\$	\$	\$	\$
1(a). CHILD CARE ADMINISTRATION	\$	\$	\$	\$
1(b). QUALITY ACTIVITIES EXCLUDING TARGETED FUNDS	\$	\$	\$	\$
1(c). INFANT AND TODDLER TARGETED FUNDS	\$	\$	\$	\$
1(d). QUALITY EXPANSION TARGETED FUNDS	\$	\$	\$	\$
1(e). SCHOOL-AGE/RESOURCE AND REFERRAL TARGETED FUNDS	\$	\$	\$	\$
1(f). OTHER TARGETED FUNDS	\$	\$	\$	\$
1(g). DIRECT SERVICES	\$	\$	\$	\$
1(h). NONDIRECT SERVICES	\$	\$	\$	\$
1(h)(1). SYSTEMS	\$	\$	\$	\$
1(h)(2). CERTIFICATE PROGRAM COSTS/ELIG. DETERMINATION	\$	\$	\$	\$
1(h)(3). ALL OTHER NONDIRECT SERVICES	\$	\$	\$	\$
2. STATE SHARE OF EXPENDITURES	\$	\$	\$	\$
2(a). REGULAR	\$	\$	\$	\$
2(b). PRIVATE DONATED FUNDS	\$	\$	\$	\$
2(c). PRE-K	\$	\$	\$	\$
3. FEDERAL SHARE OF EXPENDITURES	\$	\$	\$	\$
4. FEDERAL SHARE OF UNLIQUIDATED OBLIGATIONS	\$	\$	\$	\$
5. AWARDED	\$	\$	\$	\$
6. TRANSFER FROM TANF	\$	\$	\$	\$
7. UNOBLIGATED BALANCE	\$	\$	\$	\$
8. FEDERAL FUNDS REQUESTED ESTIMATES FOR NEXT QTR. (Refer to Next Qtr. Beginning Date Above.)	\$	\$	\$	\$

PLEASE REFER TO REDISTRIBUTION AND REALLOTMENT OF FUNDS INFORMATION IN THE INSTRUCTIONS.

September 30 SUBMITTAL -- IF AVAILABLE, DOES THE STATE REQUEST REDISTRIBUTED MATCHING FUNDS? YES [ ] NO [ ]. IF YES AND THE STATE REQUESTS A LIMIT

TO THE MATCHING AMOUNT, PLEASE ENTER AMOUNT \$\_

March 31 SUBMITTAL -- IF AVAILABLE, DOES THE STATE REQUEST REALLOTTED DISCRETIONARY FUNDS? YES [ ] NO [ ].

THIS IS TO CERTIFY THAT THE INFORMATION REPORTED ON ALL PARTS OF THIS FORM IS ACCURATE AND TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

THIS ALSO CERTIFIES THAT THE STATE'S SHARE OF ESTIMATES IS OR WILL BE AVAILABLE TO MEET THE NONFEDERAL SHARE OF EXPENDITURES AS REQUIRED BY LAW.

SIGNATURE: STATE OFFICIAL	APPROVED OMB CONTROL NO. 0970-0163	TYPED NAME, TITLE, AGENCY NAME, PHONE #
DATE SUBMITTED:	EXPIRATION DATE: 5/31/2016	
FORM ACF-696 PAGE 1 OF 1		

\* FOR LINES 1(c), 1(d), 1(e) AND 1(f), ATTACH A SEPARATE PAGE THAT INCLUDES A BRIEF DESCRIPTION OF THE ACTIVITIES ON WHICH TARGETED FUNDS, FROM THE FISCAL YEAR'S GRANT, WERE EXPENDED. THIS NEED ONLY BE COMPLETED WITH EACH 4TH QUARTER'S REPORT.

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

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## OVERVIEW

Pursuant to CCDF regulations at 45 CFR 98.65(g), and as part of the terms and conditions of the grant award, States and Territories are required to complete and submit a quarterly financial status report (ACF-696) in accordance with these instructions on behalf of the CCDF Lead Agency.

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

## SUBMISSION AND DUE DATES

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

**States must submit quarterly reports for each fiscal year until all funds are expended.** CCDF funds may be available for use in more than one fiscal year. As a result, a Lead Agency will likely submit separate ACF-696 forms for multiple grant award years simultaneously.

States are encouraged to submit their ACF-696 reporting forms electronically via the ACF On-Line Data Collection (OLDC) system. The web address is: <https://extranet.acf.hhs.gov/ssi/>

Grantees that elect not to submit electronically must submit two copies:

- One copy with an “original signature” submitted to:  
Administration for Children and Families  
Office of Administration  
Office of Grants Management  
Division of Mandatory Grants (CCDF)  
370 L’Enfant Promenade, S.W.  
Washington, DC 20447
- A signed copy submitted to the ACF Regional Child Care Program Manager.  
Contact information can be found at:  
[http://www.acf.hhs.gov/programs/ccb/ta/raaddr/program\\_managers.htm](http://www.acf.hhs.gov/programs/ccb/ta/raaddr/program_managers.htm)

## GENERAL INSTRUCTIONS

- Round all entries to the nearest dollar.
- Enter State Name
- The term “State” as used in this document also includes Territories except when specifically referring to Mandatory and Matching funds. Territories do not receive Mandatory or Matching funds.

- Include costs of contracts and subcontracts in the appropriate reporting category based on their nature or function.
- Enter the Fiscal Year (the award year) for which this report is being submitted. **Fiscal years will run simultaneously so it is important to indicate the year for which information is being reported.**
- Enter the Grant Document Number.
- Indicate whether this is a new report, a revision of a report previously submitted for the same period or a final report.
- Enter the ending date for the report quarter (the quarter just ended which constitutes the report of cumulative obligations or expenditures).
- Enter the beginning date of the next quarter beginning after submission of this report, for which estimates are being provided on line 8. For example, if the report quarter ends on September 30, then the beginning date of the next quarter beginning after submission of this report will be January 1.
- Enter at the top of column (B) the Federal Medical Assistance Percentage (FMAP) Rate used by the State. FMAP tables can be found at the following website:  
<http://aspe.os.dhhs.gov/health/fmap.htm>

## COLUMNS – CCDF FUNDING STREAMS

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

- **Column (A): Mandatory Funds.** Appropriated under section 418(a)(3) of the Social Security Act (SSA), 42 USC 618(a)(3). Mandatory funds are 100% Federal funds and are available until expended.
- **Column (B): Matching Funds.** The Federal share of the Matching fund is the remaining amount appropriated under section 418(a)(3) of the SSA after Mandatory funds are allotted.<sup>1</sup> In order to receive the full allotment of Matching funds for a fiscal year, a State must: (1) expend its Maintenance of Effort (MOE) requirement by the end of the award year fiscal year; and (2) obligate all Mandatory funds in the first year of the grant period. State expenditures in excess of the MOE requirement are matched at the Federal Medical Assistance Percentage (FMAP) Rate. The State share of Matching expenditures must be for allowable services or activities as described in the approved State Plan as appropriate, that meet the goals and purposes of the Child Care and Development Block Grant Act of 1990 (CCDBG Act). The same expenditure may not be counted as both State Match and State MOE.

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<sup>1</sup> As stated above, the Federal Medical Assistance Percentage (FMAP) Rate used by the State should be entered at the top of the column. FMAP tables can be found at the following website:  
<http://aspe.os.dhhs.gov/health/fmap.htm>.

- Column (C): Discretionary Fund.** Authorized by the CCDBG Act, 42 USC 9858 *et seq.* Discretionary funds are 100% Federal funds and include Targeted funds. States may transfer up to 30% of their TANF grants to CCDF and these funds are then treated as Discretionary CCDF funds. States wishing to transfer funds back to the TANF block grant must do so within the two-year obligation period for CCDF Discretionary funds (see obligation/liquidation table below).<sup>2</sup>
- Column (D): Maintenance-of-Effort (MOE).** Section 418(a)(2)(C) of the Social Security Act, 42 USC 618(a)(2)(C) requires States to spend a specified amount of non-Federal funds on child care in order to claim Federal match from the Matching Fund. This State MOE must be expended on allowable services or activities as described in the approved State Plan as appropriate, that meet the goals and purposes of the CCDBG Act. The same expenditure may not be counted as both State Match and State MOE.

Lead Agencies must follow the applicable obligation and liquidation periods when expending and accounting for CCDF grant funds. The table below indicates obligation and liquidation requirements for each of the CCDF funding streams.

*Table 1: Obligation and Liquidation Periods*

	<b>Must be Obligated by:</b>	<b>Must be Liquidated by:</b>
Mandatory	End of 1st fiscal year (for States requesting Matching Funds)	No requirement to liquidate by a specific date <sup>3</sup>
Matching	End of 1st fiscal year	End of 2nd fiscal year
Discretionary	End of 2nd fiscal year	End of 3rd fiscal year
MOE	End of 1 <sup>st</sup> fiscal year (for States requesting Matching Funds)	End of 1 <sup>st</sup> fiscal year (for States requesting Matching Funds)

For example, if the source of funds is FY 2013:

*Table 2: Example of Obligation and Liquidation Periods*

<b>Funding source: FY13</b>	<b>Must be Obligated by:</b>	<b>Must be Liquidated by:</b>
Mandatory	FY2013 (9/30/13) (for States requesting Matching Funds)	No requirement to liquidate by a specific date
Matching	FY2013 (9/30/13)	FY2014 (9/30/14)
Discretionary	FY2014 (9/30/14)	FY2015 (9/30/15)
MOE	FY2013 (9/30/13) (for States requesting Matching Funds)	FY2013 (9/30/13) (for States requesting Matching Funds)

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

<sup>3</sup> While there is no liquidation requirement for Mandatory funds, in accordance with federal law, grant funds must be drawn down from the Payment Management System (PMS) within 5 years from the year in which the funds were awarded. 31 USC 1551-1558

## CUMULATIVE FISCAL YEAR TOTALS

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

### Line 1 – Total

For each column (A through D), Line 1 is equal to the sum of rows 1(a) through 1(h).<sup>4</sup>

Table 3: Explanation of Column Entries for Line 1

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
1. TOTAL	Enter the cumulative expenditures of Mandatory funds made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of both Federal and State expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.*	Enter the cumulative expenditures of Discretionary funds made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the State Maintenance of Effort (MOE) expenditures from October 1 of the fiscal year for which the report is being submitted through the quarter being reported.*

The State should not report any additional or “excess” State funds above the required MOE amount or above the maximum State share amount in these columns.

### Line 1(a) - Child Care Administration

Not more than 5% of the aggregate amount of Discretionary, Mandatory, and Federal and State shares of Matching fund expenditures from each fiscal year’s allotment may be used for administrative activities. Therefore, at the end of the liquidation period no more than 5% of Line 1 can be claimed for child care administration at Line 1(a). Expenditures reported in column (D) are not subject to the 5% limitation.

**By the end of the liquidation period, Line 1(a) columns A + B + C ≤ (must be less than or equal to) 5% of Line 1 columns A + B + C.**

<sup>4</sup> 1(a) + 1(b) + 1(c) + 1(d) + 1(e) + 1(f) + 1(g) + 1(h)

\* The State should only enter expenditures of State Match and MOE funds up to the required amount or maximum amount (the State share amounts indicated on the CCDF Funding Allocations tables available at <http://www.acf.hhs.gov/programs/occ/resource/state-allocations-2011-final>)

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

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
1(a). CHILD CARE ADMIN.	Enter the cumulative expenditures of Mandatory funds for child care administration from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of both Federal and State Matching expenditures for child care administration made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary funds for child care administration from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of State MOE expenditures from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

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

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

Administrative activities **do not** include:

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

**Line 1(b) – Quality Activities Excluding Targeted Funds**

At least 4% of the aggregate amount of Discretionary, Mandatory, and the Federal and State shares of Matching fund expenditures from each fiscal year’s allotment must be used for quality activities. Therefore, at the end of the liquidation period, no less than 4% of Line 1 (columns A + B + C) must be claimed for this activity.

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

**By the end of the liquidation period, Line 1(b) columns A + B + C ≥ (must be greater than or equal to) 4% of Line 1 columns A + B + C.**

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

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
1(b). QUALITY ACTIVITIES EXCLUDING TARGETED FUNDS	Enter the cumulative expenditures of Mandatory funds for child care quality activities from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of both Federal and State expenditures for quality activities made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures of Discretionary funds for child care quality activities from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of State MOE expenditures made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

Examples of quality activities include: [45 CFR 98.51]

- Providing consumer education to parents and the public;
- Increasing parental choice;
- Improving the quality and availability of child care;
- Operating directly or providing financial assistance to organizations for the development, establishment, expansion, operation, and coordination of resource and referral programs;
- Making grants or providing loans to child care providers in meeting applicable child care standards.
- Improving the monitoring of compliance with, and enforcement of, applicable requirements;
- Providing training and technical assistance in areas such as health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and care of children with special needs; and
- Improving salaries and other compensation for staff that provide child care services.

**Line 1(c) - Infant and Toddler Targeted Funds**

In column (C), enter the cumulative Discretionary Fund expenditures for the Infant and Toddler Targeted funds from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

Expenditures of Targeted funds do not count towards the 4% minimum quality requirement included in Line 1(b). These are considered additional quality expenditures.

The maximum age of a toddler for purposes of the Infant and Toddler targeted funds is 36 months.

Examples of infant and toddler targeted quality activities include:

- Implementing a network of infant & toddler specialists;
- Training practitioners who serve infants and toddlers;
- Providing technical assistance to programs or practitioners who serve infants and toddlers;
- Hiring health consultants to focus on infant/toddler issues;
- Paying higher rates for specialized training or lower ratios for infant/toddler care;
- Establishing grant programs to help start up, expand or improve infant/toddler care;
- Using the funds to support accreditation grants;
- Contracting directly with child care programs to provide infant/toddler care;
- Supporting benefits and/or comprehensive services;
- Providing general operating support for family child care associations;
- Contracting with child care associations to provide or coordinate training and technical assistance;
- Funding family child care networks or satellite systems;
- Funding inclusion activities or training and technical assistance to providers on serving children with special needs; and
- Supporting an infant/toddler planning effort.

**Line 1(d) - Quality Expansion Targeted Funds**

In column (C), enter the cumulative Discretionary Fund expenditures for the Quality Expansion Targeted funds from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

Expenditures of Targeted funds do not count towards the 4% minimum quality requirement included in Line 1(b). These are considered additional quality expenditures.

Examples of quality expansion targeted funds activities may include:

- Professional development and compensation;
- Grants to providers/local communities;
- Healthy Child Care America;
- Special needs/Inclusive child care;
- Monitoring and on-site visits;
- Infant and toddler programs;
- Quality activities that support cultural diversity; and
- Other activities designed to improve the quality and availability of care.

**Line 1(e) - School-Age/Resource and Referral Targeted Funds**

In column (C), enter the cumulative Discretionary Fund expenditures for the School-Age/Resource and Referral Targeted funds from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

Expenditures of Targeted funds do not count towards the 4% minimum quality requirement included in Line 1(b). These are considered additional quality expenditures.

Examples of School-Age/ Resource and Referral targeted funds activities include:

- Scholarships/provider training;
- Technical assistance;
- Development of school-age care credentials;
- Hiring school-age child care specialists to help coordinating training and technical assistance or engage in funding issues and negotiating interagency agreements;
- Grants to start-up, expand or improve school-age child care;
- Contracts with community-based agencies to provide child care resource and referral services;
- Mentor programs;
- Consumer information and referrals; and
- Other resource and referral or school-age care activities.

**Line 1(f) - Other Targeted Funds**

In column (C), enter the cumulative Discretionary Fund expenditures for the other Targeted Funds from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported. This line is a placeholder should Congress add another Targeted fund category in the future.

### **Targeted Funds Narrative Report [applies to Lines 1 (c), 1 (d), 1 (e), and 1 (f)]**

The 4<sup>th</sup> quarter submission of the grant award year's financial report should include an attached narrative description of the activities funded with targeted funds. The narrative should outline the activities funded with CCDF targeted funds for all appropriation years that were spent in the Fiscal Year by the State. Please coordinate with your CCDF State administrator and refer to your approved State Plan for information on those activities supported under each of the targeted fund categories.

The narrative report should provide an explanation for the amounts reported on Lines 1(c), 1(d), 1(e), and 1(f) (if applicable) and should correspond to those activities listed in Part 5 of the approved State Plan in effect for the current Fiscal Year for which expenditures are being reported. The narrative report should include, but is not limited to, the following information:

- Identification of the targeted funds category funding each activity;
- Specific project or contract titles with descriptions and the name of the entity responsible for deliverables, etc.;
- How activities align with the four components of OCC's Quality Framework as described in the CCDF State Plan<sup>5</sup>;
- Description of outputs, number of persons served and/or products produced in activity;
- Short term outcomes, if known; and
- Funds expended by FFY per activity, project or contract in current fiscal year.

### **Line 1(g) – Direct Services**

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

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

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

### *Table 6: Explanation of Column Entries for Line 1(g)*

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<sup>5</sup> The four components of child care quality used as a quality framework in Part 3 of the Child Care and Development Fund Plan are:

- Ensuring health and safety of children through licensing and health and safety standards
- Establishing early learning guidelines
- Creating pathways to excellence for child care programs through program quality improvement activities
- Creating pathways to an effective, well-supported child care workforce through professional development systems and workforce initiatives.

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
1(g). DIRECT SERVICES	Enter the cumulative expenditures from the Mandatory fund on direct services, from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of both Federal and State Matching expenditures on direct services from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from the Discretionary fund on direct services from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative total of State MOE expenditures on direct services made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.

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

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

**Line 1(h) – Non-Direct Services**

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

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

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

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

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
<u>1(h). NON-DIRECT SERVICES</u>	Enter the cumulative expenditures from Mandatory funds on non-direct services, respectively, made from October 1 of the fiscal year for which the report is being submitted through the current quarter reported.	Enter the cumulative total of both Federal and State Matching expenditures on non-direct services made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.	Enter the cumulative expenditures from Discretionary funds on non-direct services, respectively, made from October 1 of the fiscal year for which the report is being submitted through the current quarter reported.	Enter the cumulative total of State MOE expenditures on non-direct services made from October 1 of the fiscal year for which the report is being submitted through the current quarter being reported.
1(h)(1). SYSTEMS				
1(h)(2). CERT. PROGRAM COSTS/ELIG DETERMINA TION				
1(h)(3). ALL OTHER NON- DIRECT SERVICES				

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

*Line 1(h)(1) – Systems*

- Establishment and maintenance of computerized child care information systems.

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

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

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

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

**Line 2 - State Share of Expenditures**

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

In column (B) – Matching Funds, the amount reported **may not** exceed the total of the State’s share of the Matching fund required to draw down the full allotment of Federal Matching funds. This amount is based on the State’s FMAP rate.

Similarly, in column D – MOE, the amount reported **may not** exceed the amount of the State’s MOE requirement. Any additional State expenditures that exceed the State’s share of the Matching fund and the MOE requirement should not be reported on the ACF-696 form. (See CCDF allocation tables for the State share Match and MOE requirements at:

<http://www.acf.hhs.gov/programs/occ/law/allocations/state.htm>

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

*Table 8: Explanation of Column Entries for Line 2*

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
<u>2. STATE SHARE EXPENDITURES</u>		Enter the cumulative total of State Matching expenditures for the fiscal year for which the report is being submitted at the specified FMAP rate.		Enter the column (D) cumulative State MOE expenditures for the fiscal year for which the report is being submitted.
2(a).REGULAR				
2(b).PRIVATE DONATED FUNDS				
2(c).PRE-K				

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

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

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

- Federal funds (unless authorized by Federal law to be used as match);

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

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

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

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

Expenditures from State-funded public Pre-K services claimed as CCDF Match or MOE must be for services to children from families who meet CCDF eligibility criteria. ACF permits Lead Agencies that do not have child-specific information on children enrolled in Pre-K programs to develop a methodology for calculating Pre-K expenditures for purposes of claiming Match and MOE. States may estimate the proportion of children served in the public Pre-K program who are also CCDF eligible (Also see 63 FR 39966). The methodology should take into consideration the number of children served by the Pre-K program who are from families who would be eligible for CCDF based on State income eligibility limits, participation in employment, training, or education activities, etc.

The Lead Agency is required to report the total unduplicated number of children served through the public Pre-K program that are determined to be CCDF eligible and for which CCDF Match and MOE expenditures were claimed, on the annual ACF-800 CCDF administrative data report. Additional information on the ACF-800 report can be found at: <http://www.acf.hhs.gov/programs/ccb/report/formhelp/acf800/index.htm>

### **Line 3 - Federal Share of Expenditures**

Table 9: Explanation of Column Entries for Line 3

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
3. FEDERAL SHARE OF EXPENDITURE	Enter the cumulative Federal share of Mandatory funds expended for the Fiscal Year (FY) for which the report is being submitted. This number will be the same as that on Line 1 (column A).	Enter the cumulative <u>Federal share</u> of Matching funds expended for the Fiscal Year (FY) for which the report is being submitted.	Enter the cumulative Federal share of Discretionary funds expended for the Fiscal Year (FY) for which the report is being submitted. This number will be the same as that on Line 1 (column C).	

**Line 4 - Federal Share of Unliquidated Obligations**

Table 10: Explanation of Column Entries for Line 4

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
4. FEDERAL SHARE OF UN- LIQUIDATED OBLIGATIONS	Enter the cumulative amount of obligated Federal Mandatory funds that have not been liquidated for the FY.	Enter the cumulative amount of obligated Matching Federal funds that have not been liquidated for the FY.	Enter the cumulative amount of obligated Discretionary Federal funds that have not been liquidated for the FY.	

**Line 5 – Awarded**

*Table 11: Explanation of Column Entries for Line 5*

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
5. AWARDED	If not already completed/populated, enter the cumulative amount of Federal Mandatory funds awarded for the FY for which the report is being submitted.	If not already completed/populated, enter the cumulative amount of Federal Matching funds awarded for the FY for which the report is being submitted.	If not already completed/populated, enter the cumulative amount of Federal Discretionary funds awarded for the FY for which the report is being submitted.	

**Line 6 - Transfer from TANF**

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

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

*Table 12: Explanation of Column Entries for Line 6*

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
6. TRANSFER FROM TANF			Enter the cumulative amount transferred from TANF into the CCDF Discretionary fund for the FY for which the report is being submitted.	

### Line 7 - Unobligated Balance

Enter the amount of unobligated Federal funds for the FY for which the report is being submitted. For States requesting Matching funds, amounts reported in column (A) – Mandatory funds, must be obligated by the end of the first year<sup>6</sup>. Amounts reported in column (B) – Matching funds, and remaining unobligated after the one-year obligation period will be returned to the Federal government and re-distributed. Amounts that are reported in column (C) – Discretionary funds, and remain unobligated after the two-year obligation period, will be returned to the Federal Government. [See obligation/liquidation period requirements on P.4]

Table 13: Explanation of Column Entries for Line 7

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
7. UN- OBLIGATED BALANCE	Enter the amount of unobligated Federal Mandatory funds for the FY for which the report is being submitted.	Enter the amount of unobligated Federal Matching funds for the FY for which the report is being submitted.	Enter the amount of unobligated Federal Discretionary funds for the FY for which the report is being submitted.	

### Line 8 - Federal Funds Requested<sup>7</sup>

<sup>6</sup> Amounts reported in column (A) – Mandatory funds and remaining unobligated after the one-year obligation period will be returned to the Federal government, if the State has requested Matching funds.

<sup>7</sup> Cash Management Improvement Act (CMIA), 31 CFR Part 205

This is the estimate of Federal funds being requested for the next reporting quarter. (This date is entered as the Next Quarter Beginning date in upper right hand corner of report.) All amounts reported on Line 8 are estimates of obligations or expenditures to be made during the quarter indicated based on the best information available to the State.

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

*Table 14: Example of Dates for Federal Funds Requested*

Period Ending	Next Quarter Beginning	Federal Funds that can be Requested
06/30/12	10/01/12	up to 35% of grant award
09/30/12	01/01/13	up to 70% grant award
12/30/12	04/01/13	up to 85 % of grant award
03/30/13	07/01/13	100% grant award

*Table 15: Explanation of Column Entries for Line 8*

	(COLUMN A) MANDATORY FUNDS	(COLUMN B) MATCHING FUNDS	(COLUMN C) DISCRETIONARY FUNDS	(COLUMN D) MOE
8. FEDERAL FUNDS REQUESTED <sup>8</sup>	Enter the State estimate of funds needed for the quarter beginning after submission of this report.	Enter the State estimate of funds needed for the quarter beginning after submission of this report.	Enter the State estimate of funds needed for the quarter beginning after submission of this report.	

## REDISTRIBUTION AND REALLOTMENT OF FUNDS

**Redistributed Matching Funds:** Any unobligated portion of a State’s Matching fund grant will be redistributed to requesting States that have met the requirements for Matching funds in the period for which the grant was first made. Redistributed Matching funds are considered part of the grant for the fiscal year in which the redistribution occurs, and are subject to obligation/liquidation requirements for that grant award year.

For the quarter ending 09/30 report, States should mark **YES** if the State wants to request any redistributed Matching funds. A State requesting redistributed Matching funds may indicate if they wish to limit the amount received to a specific amount due to State funding limitations.

<sup>8</sup> These estimated funds are for the quarter beginning after the submission of this report. For example, if the report quarter ends on September 30, then the beginning date of the next quarter beginning after submission of this report will be January 1.

**Reallotted Discretionary Funds:** Any unobligated Discretionary funds will be reallotted to requesting States in proportion to the original allotments. Unlike reallotted Matching funds, reallotted Discretionary funds must be obligated and liquidated in the applicable periods for which they were originally awarded. For the quarter ending 03/31 report, States should mark “YES” if the State would like to request any reallotted Discretionary funds should they become available.

**Please Note:** If reports are not received within 30 days after the end of the quarter (10/31 and 4/30 respectively), the State **will not** be eligible for reallotted funds.

## **SIGNATURES**

This report must be signed and dated in the space provided, including the title, agency and phone number of the individual whose signature is shown.

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

## **SUPPLEMENTAL INFORMATION**

### **Restrictions on Use of CCDF Funds:**

- Construction – No funds may be expended for the purchase, construction, or permanent improvement of any building or facility. CCDF funds may be expended for minor remodeling to assure child care providers meet State and local standards. [See CCDF regulations at 45 CFR 98.54(b)]
- Tuition Restriction – CCDF funds may not be used for students enrolled in grades 1 – 12 for services provide during the regular school day, services for which students receive academic credit or instruction services that supplant the program of any public or private school. (45 CFR 98.54(c))
- Sectarian Purposes – CCDF funds may not be expended for any sectarian purpose or activity. However, CCDF funds provided through child care certificates (vouchers) may be expended for sectarian purposes or activities including sectarian instruction or worship provided as part of child care services. (45 CFR 98.54(d))

**Audits:** Lead Agencies are subject to audits in accordance with OMB Circular A-133 and the Single Audit Act Amendments of 1996. The OMB Circular A-133 CCDF Compliance Supplement (CFDA 93.575; CFDA 93.596) outlines audit procedures and allowable activities and can be found at the following website under Part 4 – Department of Health and Human Services (HHS): [http://www.whitehouse.gov/omb/circulars/a133\\_compliance/04/04toc.html](http://www.whitehouse.gov/omb/circulars/a133_compliance/04/04toc.html)

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

**Sanctions:** In addition the imposition of penalties, HHS may impose sanctions to disqualify the Lead Agency from the receipt of further CCDF funding or an assessment of a penalty of not more than 4% of a Lead Agency's Discretionary fund allotment for a fiscal year. (45 CFR 98.92(b))

## **PAPERWORK REDUCTION ACT OF 1995**

Public reporting for this collection of information is estimated to average 5 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.