



# Child Care and Development Fund ACF-700 Clarifications

## Technical Bulletin #12r-v2 Revised August 2017

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### I. INTRODUCTION

The purpose of this technical bulletin is to clarify issues related to the ACF-700 reporting requirements and to address some of the questions for which Tribal Grantees have sought assistance from the National Center on Child Care Data and Reporting (NCDR). The Bulletin focuses on reporting requirements as defined in the [Tribal Annual Report: Guide for CCDF Tribal Lead Agencies](#).

This Bulletin will be helpful regardless of whether a Tribe uses the *Child Care Data Tracker* software, or prepares their ACF-700 report manually or with another software program. The information is presented in a Question/Answer format. Section III describes how to obtain additional information and assistance.

The reauthorization of the Child Care and Development Block Grant Act in 2014 (CCDBG Act) and the CCDF final rule provide a number of new requirements that affect the way in which Tribal Grantees may operate their programs. Lead Agencies should keep in mind the new requirements as they administer their programs and collect information to calculate the ACF-700 report.

### II. QUESTIONS AND ANSWERS

**Question 1:** In addition to providing subsidies to CCDF eligible children, we also use CCDF funds to pay for some quality activities. When reporting the total number of children who receive services, should we include all of the children who benefit from these CCDF-funded quality activities on the ACF-700 report?

Answer: No. All of the children involved in quality activities should not necessarily be included on the ACF-700 report. Children should be counted only if they receive direct child care services funded by CCDF. They should not be counted if the CCDF grant paid for quality activities or other indirect activities, such as improving the nutritional value of lunches, training staff, or teaching reading skills in an existing program. In these cases, the CCDF grant did not pay directly for child care subsidies.

**Question 2:** We run our own child care center(s) and do not technically “pay” a provider. How should Tribes report subsidies in these circumstances?

Answer: Amounts spent on the provision of child care services in the Tribally-Operated Center (TOC) should be reported in the average monthly subsidy per child (data element #6a on the ACF-700). Tribes that operate their own center can

estimate the average monthly subsidy per child using the record of expenditures that is submitted annually on the required ACF-696T Tribal Financial Report. For additional TOC guidance, see the latest version of Technical Bulletin #14 on the [Technical Bulletin](#) page on the OCC website.

**Calculation to estimate the average monthly subsidy per child:**

Add the Tribal Mandatory, Discretionary, and Discretionary Funds Base Amount expenditures (*not including expenditures for construction and renovation*) that your Tribe reported on Line 4 of the ACF-696T – Expenditures for Child Care Services. During the fiscal year, if you expended funds from more than one grant year, you must add the appropriate expenditures from each of the reports submitted regardless of the year in which the grant was awarded.

Divide the above total by the number of months that you provided services during the year (ranging from 1 to 12 months) to get an overall monthly subsidy amount.

Divide the monthly subsidy amount by the average number of CCDF eligible children served per month (data element #2a) to estimate the average monthly subsidy per child.

**Question 3:** If a Tribe uses a variety of care types (e.g. family home, contracted center, and their own Tribally-operated center), how should we report the subsidy amount?

Answer: You should calculate monthly averages for each type of care. Detailed instructions for calculating both the total average monthly amount paid for all care types, and the total average monthly amount paid for each care type are included in the [Tribal Annual Report: Guide for CCDF Tribal Lead Agencies](#). Additional details are also included in Technical Bulletin #14 available on the [Technical Bulletin](#) page on the OCC website.

**Question 4:** Because co-payments are made directly to the providers, Tribes don't always know whether or not the co-payment is actually made. How should we report this?

Answer: You should report the co-payment that has been defined and assigned by the program without regard to whether it is actually paid.

Tribal Lead Agencies should encourage the providers to collect co-payments, not only because parental contributions to the cost of child care are required by law, but also because the co-payment helps ensure that providers receive fair-market value for the services they deliver.

**Question 5:** My program is a medium- to large-sized Grantee (allocation of \$250,000 or more). Often, our families' incomes increase or decrease during the course of their eligibility period. Can their corresponding co-payment also change? How should Tribes report co-payment on the annual ACF-700 report?

Answer: Because you are a medium or large-sized Grantee, the regulations now specify that you cannot increase a family's established copayment during their

eligibility period (effective October 1, 2019). However, Tribes should track all data, including co-payments, on a monthly basis. While you can't increase a family's co-payment, any decreasing co-payments should be reflected in the monthly numbers that serve as the basis for annual calculations.

**Question 6:** We are a small Tribal Grantee with an allocation of less than \$250,000. How should Tribes report co-payment on the annual ACF-700 report when incomes and the resulting copayments may increase and/or decrease throughout the year?

Answer: Because you are a small-sized Grantee, you are exempt from the regulation that prohibits copay increases during eligibility period. Therefore you decide whether to increase a family's copayment based on changes to their income. As a result, your program should track all data, including co-payments, on a monthly basis. Thus, changing co-payments will be reflected in the monthly numbers that serve as the basis for annual calculations.

**Question 7:** How should Tribes deal with data elements for income, family size, and child's age, each of which may change during the year? What numbers should we use when we make calculations for our annual report?

Answer: Income (used to calculate data element #7) should reflect the latest information used to determine eligibility for the Federal fiscal year for which the report is being generated. The child's age (data element #3) should reflect information as of the end date of the Federal fiscal year for which the report is being generated. If a family/child leaves the program part way through the year, the information should reflect accurate information as of the date the family/child left the program. A reminder: Tribes with medium or large allocations must limit change reporting requirements in accordance with CCDF regulations at 45 CFR 98.21(e).

**Question 8:** A child's living situation may formally change in the middle of a report period. This is a permanent change in where the child resides and with whom the child resides. We have re-determined eligibility, and the child continues to be served by our program. How should we report these families/children on the ACF-700 report?

Answer: The way in which you report the families and children on the ACF-700 report depends upon how their living situation changes. For example:

Scenario 1: One or more siblings were living with one parent/guardian. For whatever reason, the parent/guardian can no longer care for the children, and all of the children now live with another parent/guardian. For reporting purposes, the family should be counted only once on the ACF-700 report. Each of the children should also be counted only once. The most recent reason for care, along with any updated demographic information if available (such as income, family size, etc.), should be used for this family in calculating the ACF-700 report.

Scenario 2: Several children were living with one parent/guardian. One of the children has since left this living situation and now lives with a different custodial parent/guardian. For reporting purposes, two families should be counted on the

ACF-700 report. Each of the children should be included on the ACF-700 report only once in the “total” column. The appropriate reasons for care, along with any updated demographic information if available (such as income, family size, etc.), for each of the families should be used in calculating the ACF-700 report.

Note: Lead Agencies have flexibility in determining whether or not a child changing families during the eligibility period requires a new eligibility determination prior to the next scheduled redetermination.

**Question 9:** When reporting a family’s reason for care, we have situations that do not fit any of the three allowed options (working, training/education, or protective services). For example, we consider job search as an approved reason to receive subsidized care. We also provide subsidies in cases of medical emergency when the parent is temporarily not able to care for the children. What should we do to accurately report these kinds of situations?

Answer: By law, all eligible children must either 1) reside with a parent who is working, 2) reside with a parent who is in school or another educational program, or 3) receive or need to receive Protective Services. Therefore, all families should be categorized on the ACF-700 report according to one of these three allowed options for data element #4 (working, training/education, Protective Services). Usually, there is one primary reason for care that can be documented for the purposes of the ACF-700 report. For example, if a parent is both working and taking classes at night, you would record the activity at which the parent spends the most time. *Note: If the Tribe has been approved to use categorical eligibility because their Tribal Median Income is below the level established by the Secretary (currently 85% of State Median Income), then Indian children in the Tribe’s service area would be considered eligible regardless of the family’s income, work, or training status. In this case, the Tribe would not be required to report this data element, and can leave it blank.*

Tribes have some degree of flexibility in their CCDF Plans to define certain terminology related to eligibility. For example, some Tribes define “working” to include limited periods of job search. In their Tribal Plan, Tribes should document the definitions of eligibility criteria that they include in each of the three eligibility options. These definitions are then subject to review and approval by the Office of Child Care. All families must be included in one of the three legislatively-defined eligibility options. On the ACF-700 report, this reason for care information is captured as a count of children, therefore numbers in data element #4a-f must add up to the total number of children served (data element #2b).

**Question 10:** We do not collect “income” information for some families. How can we account for those families in data element #7 – number of children in relation to poverty levels?

Answer: Even though there is no question on the ACF-700 that specifically asks about income amounts, this information is necessary for determining eligibility in many cases and for completing data element #7 on the ACF-700 form, which counts children being served whose families are at, below, or above poverty level. One exception is children receiving care because they are receiving Protective Services and are reported as the “applicant,” and in a family size of one. No family income is required for these children. *Note: If the Tribe has been approved to use categorical eligibility because their Tribal Median Income is below the level established by the Secretary (currently 85% of State Median Income), then Indian children in the Tribe’s service area would be considered eligible regardless of the family’s income, work, or training status. In this case, the Tribe would not be required to report this data element, and the children would not be reported in relation to poverty levels.*

The OCC posts annual charts to help you determine which poverty level relates to a specific income and family size. The [Poverty Level charts](#) are available on the OCC website. Contact NCDR for more information.

**Question 11:** We serve several children from the same family, all of whom are in Protective Services. Should we count the children as one family unit or count each child separately?

Answer: *Reason for eligibility* is what should determine how to report children in a family. If the family is eligible to receive subsidized services because they are working and meet income limits, the reason for care would be “work,” and each child in the family should be reported as a family member along with all of his/her siblings.

If, however, the reason for eligibility is Protective Services, then each child should be reported separately as his/her own family with a family size of one (1). No income would be associated with children reported in this way.

In the case where a family is eligible because they are working, **and** the children are also in Protective Services, the Tribe may choose to report the children either as members of the eligible family, or report each child as an independent “family” with a family size of one.

**Question 12:** Our Tribe operates and collects data from several child care programs at different sites, much like Tribal consortia do. How should we combine the data from the programs to produce one annual ACF-700 form?

Answer: NCDR has developed an Excel spreadsheet that allows Tribes to combine monthly ACF-700 data from several sites. Tribes may contact NCDR to obtain this tool, as well as receive additional information about combining and preparing data from multiple sources for submission of the ACF-700 data report.

**Question 13:** When we enter the number of children served in each type of care (data element #3, Columns B-L), they don't always add up to the total figure for element #3, Column A. Why does this occur?

Answer: Children may be served in more than one type of care, either concurrently or consecutively, during the fiscal year. When this happens, the child is counted under each type of care. Column A is an unduplicated count of the total number of children served regardless of how many types of care they receive. Columns B-L may add up to a figure that is higher than Column A. However, Columns B-L should never be less than the total in Column A.

**Question 14:** We calculate different co-payment amounts for each child in the family, based on the child's age and needs. How do we calculate average parent co-payments in this situation?

Answer: Even though the ACF-700 requests "parent" co-payment, you must calculate this figure on a "per child" basis. Regardless of whether you have a "family" co-payment or co-payments assigned to each child, you calculate the average monthly total co-payment amount that parents pay per child for each provider. These individual child or family co-payments can be used to get averages for all children in each care type (Columns B-L), or all children in all care types together (Column A). The [Tribal Annual Report Guide](#) contains detailed instruction for calculating co-payments.

NOTE: If you are using the *Child Care Data Tracker* software, these figures will be calculated automatically when you enter the total monthly co-payment for each family.

**Question 15:** Our Tribe uses contracts to establish a team of child care service providers that are available to the children in eligible families. Not all of these contracted providers maintain records on the families and children they serve. How should we report families in these circumstances?

Answer: The Office of Child Care guidance, directs Grantees to gather information on all children that are being served totally or partially with CCDF funds. Maintaining adequate records and providing required data should be a condition for providers to participate in the subsidy system. Some Tribal Grantees require participating providers (even those receiving vouchers) to sign an agreement setting forth their reporting obligations.

### **III. WHERE TO GET ADDITIONAL INFORMATION AND ASSISTANCE**

If you have additional questions or need more information, there are two primary resources where you can obtain help – your Regional Office Child Care Program Manager, and the National Center on Child Care Data and Reporting (NCDR).

The Office of Child Care (OCC) is represented by staff in each of the ten administrative regions across the country. OCC Program Managers can help you with programmatic and policy questions. Contact information for the **Regional Offices** can be found on the OCC website at <https://www.acf.hhs.gov/occ/resource/regional-child-care-program-managers> .

**NCDR** works with OCC to provide technical assistance to all of the Tribal, Territory, and State CCDF Grantees with matters related to the required CCDF data reporting. You can reach NCDR either by phone at the toll free number (1-877-249-9117), or by e-mail at [ncdr@ecetta.info](mailto:ncdr@ecetta.info).