



# Child Care and Development Fund Reporting Clarifications for Tribally Operated Centers

## Technical Bulletin #14r August 2013

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### I. INTRODUCTION

The purpose of this Technical Bulletin is to clarify reporting issues for Tribal grantees that own and operate a child care center (Tribally Operated Center - TOC) to deliver all or part of their child care services funded by CCDF. The bulletin addresses frequently asked questions that these grantees have raised with the Office of Child Care (OCC), and with the National Center on Child Care Data and Technology (NCDT).

The information is presented in a Question/Answer format and covers a range of topics that impact preparation of the required ACF-700 Tribal report. Section VII, following the questions, provides information for obtaining additional guidance and assistance.

### II. QUESTIONS AND ANSWERS: CARE TYPES

**Question 1:** What exactly is a Tribally Operated Center (TOC)?

**Answer:** Tribal grantees use their CCDF grant dollars in different ways to provide child care services to eligible families and children. Those grantees that use CCDF funds to operate a center-based child care business are said to have a Tribally Operated Center (TOC). The Tribe oversees all operations of the program: paying facility costs (e.g., rent and utilities), hiring and managing staff, purchasing equipment and supplies, and screening families for eligibility.

**Question 2:** The ACF-700 report lists 11 different care type categories, including two different types of child care centers. What is the difference between a licensed center and a legally operating, non-licensed center, and how do I determine which category to use when reporting children being served in our TOC?

**Answer:** Provider types are broken up into two broad categories of licensed/regulated and no license category available (legally operating in state or locality):

- **Licensed/regulated provider:** The provider must apply for, and may only operate after receiving, legally defined approval to deliver services as a licensed or regulated provider. The licensing agent usually is the Tribe or State. OCC recommends that licensed or regulated providers be subject to third-party monitoring to ensure compliance. For reporting purposes, the terms “licensed/regulated” and “no license category available” are intentionally broad to recognize that grantees operate differently. The term “regulated” is used because not all grantees define “licensed” in the same way, or even use the term consistently. Some grantees have processes that they call “certification” or

“registration.” The “licensed/regulated provider” category is intended to encompass any of these regulatory processes.

- **No license category available (Non-licensed provider):** The provider is not required to obtain a license but still must meet all state or Tribal health, safety, and other child care program regulations to be operating legally. For example, in some jurisdictions, small family home providers may operate legally without having to be licensed. This category also may include providers who have to sign up in order to participate in your CCDF program but do not have to meet any other local licensing requirements.

**Question 3:** In addition to operating our own center, we also rely on a variety of different provider types – some are licensed/regulated and some are not. Does that present a problem when we prepare our ACF-700 report?

**Answer:** No. In your Tribal CCDF Plan you define the types of providers you are going to use for your CCDF program and that definition should guide your operations. As long as you adhere to the criteria in your approved CCDF Plan and to the CCDF care type definitions, you may use as many different providers and types of providers as your program requires.

For reporting purposes, you must keep track of each child’s services and payments for each different provider type (see Questions 6 and 7).

### III. QUESTIONS AND ANSWERS: DIRECT vs. INDIRECT SERVICES AND COSTS

**Question 4:** The ACF-700 guidance says our report should be based on families and children receiving “direct” CCDF funded child care services. What are “direct” service expenditures and what does this mean for TOCs?

**Answer:** Direct service expenditures include CCDF payments for child care services for CCDF eligible children, including slots purchased through contracts/grants with child care providers, services provided through certificates/vouchers, and services provided in a Tribally Operated Center (TOC).

In the case of a TOC, direct service expenditures also include CCDF dollars used to operate the center and provide services to CCDF eligible children, including payments for: wages, salaries and benefits of staff providing care to children as well as support staff (e.g., cooks, custodians); facility costs (e.g. rent, maintenance); and classroom materials, equipment, food and supplies.

The following are not considered direct expenditures:

- Administration of the CCDF program (i.e. developing the biennial Tribal Plan, preparing required reports, evaluating program results);
- Quality improvement activities such as professional development and consumer education;
- Eligibility determinations and re-determinations;
- Preparation and participation in judicial hearings;
- Recruitment, licensing, inspection, reviews, and supervision of child care providers,
- Training of child care staff; or

- Maintenance of computerized child care information systems.

On the ACF-700 you should report on the CCDF eligible families and children associated with the direct service costs that are reported on the ACF-696T.

#### IV. QUESTIONS AND ANSWERS: SUBSIDY AND COST OF CHILD CARE

**Question 5:** What exactly is a subsidy (element #6a), and how does it relate to co-payments reported in element #6b?

**Answer:** A **subsidy** is an amount of money that is paid by the CCDF lead agency on the family's behalf to allow them to receive child care services they might not otherwise be able to afford. In this case, the CCDF subsidy is the dollar amount used to support the child care costs for an eligible family's children.

The most common subsidy is the payment a CCDF grantee makes to a provider for child care services delivered.

The **co-payment** is the dollar amount the lead agency determines the family should pay. Lead agencies are required to calculate the assessed co-payment amount based, at a minimum, on the family's income and size.

**Question 6:** The only service type we offer is in our own TOC and we do not technically "pay" another provider. How should we report the average subsidy for element #6a in these circumstances?

**Answer:** Amounts spent on the provision of direct child care service in the TOC should be included 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 guidance below.

Calculate the subsidy using figures reported on your recent ACF-696T report (instructions below are for grantees that provide services only in their own TOC).

STEPS for calculating the estimated average monthly subsidy per child in your TOC when you only provide service in your own TOC:

Step 1: 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 Federal 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 that the grant was awarded.

Step 2: 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.

Step 3: Divide the monthly subsidy amount by the average number of children served per month (data element #2a) to estimate the average monthly subsidy per child in your center. (See Questions #8-11 for more information regarding which families and children to include in your report.)

**Question 7:** If a Tribal Lead Agency uses different types of care (e.g.; family home or contracted center-based care) and operates its own center, how should they calculate and report the subsidy amount on the ACF-700 Question #6a for the different care types?

**Answer:** If you operate a TOC and you also support other provider types with your CCDF grant, you will have to use several methods to calculate the subsidy for the total column (A) and each of the care type columns (B-L).

- **All Care Types (Column (A)):** Use the 696T calculation method above (in Question 6) to calculate a total average subsidy for column A. Be sure to use the average number of children (#2a) from Column A of your report when completing Step 3.
- **Non-TOC care types (Columns B-L):** You should be calculating monthly average subsidy amounts for each different type of non-TOC care your CCDF grant supports. Detailed instructions for calculating the average monthly subsidy amount paid by care type are included in the *Tribal Annual Report Guide* (available online at: <http://www.acf.hhs.gov/programs/occ/resource/tribal-annual-report-guide-for-ccdf-tribal-lead-agencies>)
- **TOC care type (Columns H or L):** The *Expenditures for Child Care Services* (Line 4 on the 696T) include direct service expenditures for all types of care combined (TOC and non-TOC care). Use the instructions below to determine how much of that total expenditure amount represents the expenditures just for your TOC.

STEPS for calculating the estimated average monthly subsidy per child in your TOC when you support **both** a TOC and other provider types:

- A. Complete Step 1 of the instructions provided in Question 6 above.
- B. Add together all of the CCDF subsidy payments you have made to all non-TOC providers during the report year.
- C. Subtract the total CCDF subsidy payments made to all non-TOC providers (total from Step B) from the total you calculated in Step A.
- D. Divide the remaining subsidy amount from Step C by the number of months that you provided services in your TOC during the year (ranging from 1 to 12 months) to get a total *monthly* TOC subsidy amount.
- E. Divide the monthly amount from Step D by the average number of children served per month in the TOC (data element #2a, column H or L) to estimate the average monthly subsidy *per child* for your TOC. Report this average monthly subsidy per child in column H or L.

## V. QUESTIONS AND ANSWERS: FAMILIES AND CHILDREN SERVED

**Question 8:** In our TOC, we serve both children whose families meet CCDF eligibility requirements and children whose families do not meet the eligibility criteria. For the first group, we provide a CCDF subsidy, and for the second group we do not – these non-eligible families pay the full private pay rate for child care in our program. Should we count all of these children on our annual ACF-700 report?

**Answer:** No. On the ACF-700 report, you should report only those children who meet CCDF eligibility requirements and whose direct services are fully or partially paid for with CCDF funds. Because a TOC's direct service expenditures include center operating costs, all families and children who meet your CCDF defined eligibility criteria and receive services in your center may be included in the ACF-700 report as long as their care is at least partially paid for by CCDF. If a family pays the full private pay rate and the child's care is not at least partially funded by CCDF, the family/child should NOT be counted in the ACF-700 report. (See Question #4 above for more information about direct and non-direct services/expenditures.)

**Question 9:** All of the children served in our TOC full-day program are eligible for a CCDF subsidy. We also use CCDF grant dollars to run an after school drop-in program, and some of the private-pay children that attend this part-time program do not meet CCDF eligibility requirements. Should we count the children in the after school program on the ACF-700?

**Answer:** No. You should count only those children whose families are determined to be eligible to receive a CCDF subsidy whose care is partially or fully paid for by CCDF. (See Question #4 above for more information about direct and non-direct services/expenditures.)

Note: You will have to obtain sufficient information about the eligible families and children participating in the drop-in program to be able to accurately complete the annual ACF-700 report.

**Question 10:** In addition to providing subsidies to CCDF-eligible children, we also use CCDF funds to pay for some quality activities in our TOC. Should we include all of the children involved in these quality activities on the ACF-700 report?

**Answer:** No. All of the children involved in quality activities would not necessarily be included on the ACF-700 report. Children should be included on the ACF-700 report only if you also used CCDF funds to pay for some or all of the direct child care services. They should not be counted if they only received the benefits of CCDF-supported quality activities (e.g. providing professional development for staff). In these cases, the grant did not pay for the direct child care service. (See Question #4 above for more information about direct and non-direct services/expenditures.)

**Question 11:** Through an agreement we have with the State, our Tribe encourages families that need subsidized child care to first apply to the State CCDF program which may then pay the subsidy for care in our TOC. If the family is not eligible for State funds or if the State has a waiting list, these families can come back and apply for a Tribal CCDF subsidy to receive

services in our TOC. On our ACF-700 report, how do we report those children cared for in the TOC, but whose subsidy is paid by the State?

**Answer:** You should count these children on the ACF-700 if their direct services are at least partially funded by Tribal CCDF dollars. (See Question #4 above for more information about direct service expenditures.) For example, the TOC may use Tribal CCDF dollars to pay remaining costs of services if the State subsidy is insufficient to cover all service costs. (Note: A State has authority to waive the co-payment for families living below the poverty line or for children in protective services; however, the Tribe has no authority to use CCDF funds to independently pay the family's copayment if the State is funding the subsidy.) Children in a TOC whose services are partially funded by the State and partially by the Tribe may be reported both by the State (on the ACF-801) and by the Tribe (on the ACF-700). The Tribal grantee should determine the number or percentage of children being served in the TOC that are being subsidized with both Tribal CCDF and State dollars and indicate that count/percentage in the ACF-700 comments field.

The following is suggested language for an explanation in the comments field:

*The subsidy for (Number/percentage) of the children in our Tribally Operated Center is paid fully or in part with State CCDF or other non-CCDF dollars.*

**Question 12:** On the ACF-700, should we include co-pays assessed by the State for the families of the children in our TOC whose subsidy is paid for partially by the State and partially by our CCDF program (see Question #11 for more information)? In other words, is OCC interested in knowing the average co-payment for all families or just the families for whom the Tribe assesses co-pays?

**Answer:** OCC is interested in learning about the co-pays for all CCDF-eligible families that are served in the TOC and whose services are paid for by your CCDF grant. Therefore, you should include in your ACF-700 report the assessed co-payment amount regardless of whether it is defined by the State or by the Tribe.

## **VI. SUMMARY**

Tribally Operated Centers have some unique features that must be taken into consideration when preparing information for the required annual ACF-700 report. A TOC includes some of the costs of operating the center itself as part of the direct service cost. This means that even eligible families/children who are not receiving a subsidy in the more traditional sense of the word, may still be receiving "subsidized" care by virtue of the fact that they are receiving care in your center. In summary, all families/children who meet CCDF eligibility requirements and whose direct service care is supported totally or in part with CCDF grant dollars should be included in the annual ACF-700 report. This means that you need to determine eligibility and maintain basic information on all of the CCDF eligible families/children you serve so they can be appropriately included in your ACF-700 calculations.

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

If you have additional questions or need more information you should contact your Regional Office Child Care Program Manager. The National Center on Child Care Data and Technology (NCDT) also can provide technical assistance, and additional detailed guidance is available in a variety of Office of Child Care (OCC) Technical Documents.

The OCC is represented by staff in each of the ten ACF administrative regions across the country. Regional Office staff provides guidance on a range of program operations and policy issues. Contact information for the **Regional Offices** can be found on the OCC website: [http://www.acf.hhs.gov/programs/occ/ta/raaddr/program\\_managers.htm](http://www.acf.hhs.gov/programs/occ/ta/raaddr/program_managers.htm).

The NCDT works with OCC to provide technical assistance to all of the Tribal, Territory, and State CCDF grantees with matters related specifically to the required CCDF program data reporting. You can reach **NCDT** either by phone at the toll free number (1-877-249-9117) or by e-mail at [ncdt@childcaredata.org](mailto:ncdt@childcaredata.org). Technical Assistance Specialists are available Monday through Friday, 9:00 am-5:00 pm, prevailing Eastern Time.

## Technical Bulletins and Other Written Resources for Tribes

All ACF-700 Technical Bulletins are available on the OCC website at:

<http://www.acf.hhs.gov/programs/occ/resource/current-technical-bulletins>.

#11 - ACF 700 and Other CCDF Reporting Requirements: Frequently Asked Questions

#12 – ACF 700 Clarifications

#13 – Child Care Data Tracker Clarifications

### **Additional Information Available On the OCC Web Site Includes:**

Overview of all reporting requirements for Tribes

<http://www.acf.hhs.gov/programs/occ/resource/overview-of-all-reporting-requirements-for-tribes>

Overview of submission requirements for Tribal Annual Report

<http://www.acf.hhs.gov/programs/occ/resource/overview-of-the-tribal-annual-report-acf-700>

Tribal Annual Report: Guide for CCDF Tribal Lead Agencies

<http://www.acf.hhs.gov/programs/occ/resource/tribal-annual-report-guide-for-ccdf-tribal-lead-agencies>

Child Care Data Tracker

<http://www.acf.hhs.gov/programs/occ/resource/child-care-data-tracker>

ACF-700 Program Instruction

<http://www.acf.hhs.gov/programs/occ/resource/program-instruction-ccdf-acf-pi-2012-06-ccdf-annual-report-for-tribal-lead>

ACF-700 Form

<http://www.acf.hhs.gov/programs/occ/resource/data-reporting-for-indian-tribes-acf-700-form>

Supplemental Narrative Guide

<http://www.acf.hhs.gov/programs/occ/resource/supplemental-narrative-report>

CCB Guides for Tribal Grantees

<http://www.acf.hhs.gov/programs/occ/resource/occ-publications-and-materials>