U.S. Department of Health and Human Services

Administration for Children & Families

INSTRUCTIONS FOR COMPLETION OF FORM ACF-196
(State TANF Financial Report)

Revisions to the Financial Reporting Form for the Temporary Assistance for Needy Families (TANF) Program

NOTE: "THE PAPERWORK REDUCTION ACT OF 1995"

Public reporting for this collection of information is estimated to average 8.0 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.

All States (including the District of Columbia) must complete this report in accordance with these instructions on behalf of the agency administering the TANF Program. Additionally, 45 CFR 265.6 requires States to submit program data and financial status reports electronically.

Electronic Submission: States are required to submit ACF-196 reports on the internet using the ACF On-Line Data Collection (OLDC) system website at https://extranet.acf.hhs.gov/ssi. OLDC reduces paperwork, allows for quicker processing, automatically completes required calculations, and checks for data entry errors.

Due Dates: ACF-196 reports must be received by ACF within 45 days after the end of each quarter of the Federal fiscal year.

For Quarter Ending	Report Due
December 31	February 14
March 31	May 15
June 30	August 14
September 30	November 14

Quarterly Report Requirements: In addition to the quarterly reports for the current year award, a State must also submit quarterly reports for prior TANF awards where the funds were expended during the year. When TANF funds are completely expended, the State must submit a report marking the box that the report is a Final report. No further reporting of that

TANF award is necessary after a Final report has been submitted. While prior year funds remain available for use without fiscal year limitation, ACF encourages States to spend oldest funds first in any circumstance in which prior year funds are being used, so that it will be possible to close out the prior year Award.

Revisions to any fiscal year data must be made prior to the end of the quarter following the quarter just completed and must be shown as an adjustment to the most recently completed quarter.

Example: During FY 2013, a State receives TANF funds for the current year 2013; the State also has TANF funds remaining from the FY 2010, FY 2011 and FY 2012 awards. On September 30, 2013, the State expended all the funds from the FY 2010 award, nothing from the FY 2011 award, and some funds from both the FY 2012 and FY 2013 TANF awards. On or before November 14, 2013, the State must submit the following reports for the period ending September 30, 2013:

1. Quarterly report for FY 2013 award.
2. Quarterly report for FY 2012 award.
3. No quarterly report required for the FY 2011 award.
4. A quarterly report marked "Final" for the FY 2010 award.

Additionally, should there be a need to revise a report for the previous quarter; the State has until the end of the current quarter to submit that revised report. Otherwise, any revised data should be incorporated into the next quarterly report due. For example, the report for the first quarter of the fiscal year is due February 14. If there is a need to revise data for the first quarter, the State has until March 31 to revise the report (if already submitted). Otherwise, any changes to the first quarter report should be made in subsequent quarters without amending the first quarter report. Thus, if the State discovers a change is needed to the first quarter in April, it should include that change in the report for the second quarter of the fiscal year.

As cited in 45 CFR 265.8, States not submitting the required quarterly TANF Financial Report may give rise to a penalty.

General Instructions

- Round all entries to the nearest dollar.

- Shaded blocks indicate that the entry of financial data is not required or are not applicable. In OLDC some of these shaded areas are automatically generated or used as calculation checks.

- Include costs of contracts and subcontracts in the appropriate reporting category, based on their nature or function.

- Administrative Expenditure Caps: States have three administrative expenditure caps that must not be exceeded:

1. For the administrative expenditure cap applicable to Federal TANF funds, administrative expenditures reported on Line 6j (Column A) may not exceed 15% of the Adjusted State Family Assistance Grant (SFAG) reported on Line 4 (Column A).
2. For the administrative expenditure cap applicable to State Funds (Columns B and C), administrative expenditures reported on Line 6j (Columns B and C) may not exceed 15% of the Total Expenditures reported on Line 7 (Columns B and C).
3. For the administrative expenditure cap applicable to Contingency Funds the State may have received, administrative expenditures reported on Line 6j (Column D) may not exceed 15% of the Total Expenditures on Line 7 (Column D).

   NOTE: Based on the nature or function of the contract, States must include appropriate administrative costs associated with contracts and subcontracts that count towards the 15% administrative cost caps.

- State Replacement of Grant Reductions from Penalties: If a State's SFAG is reduced because of the imposition of a penalty under section 409, section 409(a)(12) provides that the State must replace funds lost due to the penalty with State funds in an amount that is no less than the amount withheld. The State Replacement Funds must be included in Line 11, Column (B). These funds must be in addition to the funds reported under Line 7, Column (B).

General Block Entries

- Enter State Name.

- Fiscal Year: Identify the Federal fiscal year the funds were awarded.

- Enter the ending date of the quarter (the quarter just ended) in which the report is being submitted.

> Example: The State is reporting for the 1st quarter of the Federal fiscal year (10/1 through 12/31). The ending date is 12/31 and the report is due February 14.

- Enter the ending date of the next quarter (the upcoming quarter, which estimates are being requested on Line 12).

> Example: The current report is due February 14, the current quarter ending date is 12/31. The next quarter ending date for which estimates are requested is 6/30. The estimate submitted on Line 12 (Column A) will be for the quarter of 4/1 through 6/30. Estimates are not required on quarterly reports submitted for prior fiscal years.

- Indicate whether this is a new report, a revision of a report previously submitted for the same period, or the final report (closing out the funds awarded).

- Add the signature of the person authorized to submit the report.

- Date Submitted: A date is automatically stamped when the report is submitted to ACF through OLDC.

Explanation of Columns

Column (A) is for reporting Federal funds awarded (excluding Contingency Funds) and how those funds were utilized.

Column (B) refers to State TANF expenditures that the State is making to meet its basic Maintenance-of-Effort (MOE) requirement. Include State funds that are commingled with Federal funds and segregated State funds expended under the State TANF program.

> **NOTE:** States receiving Contingency Funds under section 403(b) for the fiscal year must also use this same column to report State TANF expenditures made to meet the Contingency Fund MOE requirement and matching expenditures made above the 100% MOE level. Expenditures made to meet the Contingency Fund MOE requirement and expenditures made above the MOE level (for matching purposes) must be expenditures made under the State TANF program only; they cannot include expenditures made under "separate State programs." In addition, child care expenditures cannot be included as Contingency Fund MOE expenditures or expenditures that are matched with Contingency Funds.

Column (C) refers to State expenditures that the State is making in separate State programs, outside the State TANF program, to meet its basic MOE requirement.

> **NOTE:** For the basic MOE requirement, the cumulative total expenditures (i.e., the sum of Columns (B) and (C) on Line 7 reported at the end of the Federal fiscal year should add up to at least 80% of fiscal year 1994 historic State expenditures if the State did not meet the TANF work participation requirements, or at least 75% of fiscal year 1994 historic State expenditures if the State met the TANF work participation requirements. For States that received Contingency Funds, Line 7 (Column B) minus Line 5b (Column B) (assistance child care) minus Line 6b (Column B) (non-assistance child care) must exceed 100% of the Contingency Fund MOE requirement.

Column (D) is for reporting the Federal Contingency Fund grant awarded and how those funds were utilized.

> **NOTE:** States receiving Contingency Funds must indicate if this report is being used for annual reconciliation of the Contingency Fund. Enter the Federal Medical Assistance Percentage Rate (FMAP) used by the State for the fiscal year for which Contingency Funds were received.

Line Item Instructions

Enter Cumulative Fiscal Year Expenditures and Obligations

Line 1. Federal Funds Awarded. Automatically generated in OLDC, Column (A) represents the cumulative total of Federal TANF funds awarded (not including Contingency Funds) to the State (after any Tribal adjustments) from October 1 of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Enter in Column (D) the cumulative total of Contingency Funds awarded under section 403(b) to the State from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 2. Transferred to Child Care and Development Fund (CCDF). Enter in Column (A) the cumulative total of Federal funds that the State transferred to the Discretionary Fund of the CCDF from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Section 404(d)(1) of the Social Security Act governs the transfer of TANF funds to the Discretionary Fund and prohibits a State from transferring more than 30% of its total annual TANF funds. All funds transferred to the Discretionary Fund of the CCDF program are subject to the rules and regulations of that Fund in place for the current fiscal year at the time when the transfer occurs. A State can only transfer current-year Federal TANF grant funds; it may not transfer prior year unobligated/reserved balances to the CCDF.

Line 3. Transfers to Social Services Block Grant (SSBG). Enter in Column (A) the cumulative total of Federal funds the State transferred to the SSBG from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Section 404(d)(2) of the Social Security Act governs the transfer of TANF funds to the SSBG program and prohibits a State from transferring more than 10% of its total annual TANF funds to the SSBG. (Also, the combined amount transferred to the SSBG and the CCDF Discretionary Fund may not exceed 30% of the annual TANF block grant. In other words, for all financial reports applicable to grant funds for one fiscal year, the sum of the total cumulative amount reported on Lines 2 and 3 cannot exceed 30% of the annual TANF block grant.) All funds transferred to the SSBG program are subject to the statute and regulations of the recipient SSBG program in place for the current fiscal year at the time when the transfer occurs. A State may only transfer current-year Federal TANF grant funds; it may not transfer prior year unobligated/reserved balances to the SSBG.

Also, the total amount transferred to SSBG and CCDF affects the amount available for Jobs Access activities that may be used as the non-Federal match under that program. See instructions for Line 6c1.

Line 4. Adjusted SFAG. Enter in Column (A) the cumulative total of funds available for TANF after subtracting the amounts transferred to the CCDF program (Line 2) and/or the SSBG program (Line 3) from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 5. **Expenditures on Assistance.** Blocks are shaded and do not have to be filled out. This line exists as a mathematical sum of expenditures included in Lines 5a through 5d for each column from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 5a. **Basic Assistance.** Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for basic assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include benefits not reported on Line 5d provided in the form of cash, payments, vouchers, or other forms designed to meet on-going, basic needs. Include such benefits, even when provided in the form of payments by a TANF agency, or other public agency on its behalf, to individuals and conditioned on their participation in work experience or community service (or any other work activity under 45 CFR 261.30).

Line 5b. **Child Care.** Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for child care that meet the definition of assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. The amounts reported in this category do not include funds transferred to the CCDF (Discretionary Fund - reported on the ACF-696) or the SSBG. Include child care expenditures for families that are not employed, but need child care to participate in other work activities such as job search, community service, education or training, or for respite purposes. Do not include child care provided as a non-recurrent, short-term benefit (for example, to recently employed families who need child care extended during a temporary period of unemployment in order to maintain continuity of care). Do not include expenditures on pre-K activities or other programs designed to provide early childhood development or educational services (e.g., following the Head Start model); such activities should be reported as "Other" and identified as such in a note to that category.

Line 5c. **Transportation and Other Supportive Services.** Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for transportation and other supportive services that meet the definition of assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include expenditures for families that are not employed but need supportive services to participate in other work activities such as job search, community service, education or training, or for respite purposes. Do not include transportation or other supports provided as a non-recurrent, short-term benefit (for example, during applicant job search).

Line 5d. **Assistance Authorized Solely Under Prior Law.** Enter in Columns (A) and (D) the cumulative total expenditures of Federal funds on assistance that is authorized solely under section 404(a)(2) of the Social Security Act from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. These are expenditures that are not otherwise consistent with the purposes of TANF and/or with the prohibitions in section 408.

> **NOTE:** As an addendum to the 4th quarter report, the State must describe the activities and associated expenditures for which "Assistance Authorized Solely Under

Prior Law" under this line item applies (e.g., previously authorized juvenile justice or State foster care payments), including information regarding the target population and the services provided. The State must also reference the State plan provision under which they were authorized.

NOTE: States may not report MOE expenditures in this category; all State MOE expenditures must be consistent with the purposes of TANF.

Line 6. Expenditures on Non-Assistance. Blocks are shaded and do not have to be filled out. This line exists as a mathematical sum of expenditures included in Lines 6a through 6l for each column.

Line 6a. Work-Related Activities and Expenses. Blocks are shaded and do not have to be filled out. This line exists as a mathematical sum of Line 6a(1), Line 6a(2), and Line 6a(3) for each column for work-related activities and expenses, as described in the instructions for these three lines, from October 1 of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6a(1). Work Subsidies. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for work subsidies from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Work subsidies include payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, or training. Do not include expenditures related to payments to or on behalf of participants in community service and work experience activities that are within the definition of assistance.

Line 6a(2). Education and Training. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for educational and training activities from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. These are expenditures on educational activities that are consistent with the recognized work activities at 45 CFR 261.30 or as a supplement to such activities. Thus, include secondary education (including alternative programs); adult education, GED, and ESL classes; education directly related to employment; education provided as vocational educational training; and post-secondary education. Do not include costs of early childhood education or after-school or summer enrichment programs for children in elementary or junior high school.

Line 6a(3). Other Work Activities/Expenses. Enter in Columns (A), (B), (C), and (D) expenditures on other work activities from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. These are expenditures on work activities or work expenses that have not been reported as education or work subsidies (including staff costs related to providing work experience and community service activities, on-the-job training, job search and job readiness, job skills training, and training provided as vocational educational training), related services (such as employment counseling, coaching, job development, information and referral, and outreach to business and non-profit community groups), and other work-related expenses such as costs for work

clothes and equipment). Include such costs when provided as part of a diversion program or as transitional services to individuals who ceased to receive assistance due to employment.

Line 6b. Child Care. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for child care that does not meet the definition of assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include child care provided to employed families (related either to their work or related job retention and advancement activities) and child care provided as a non-recurrent, short-term benefit (e.g., during applicant job search or to a recently employed family during a temporary period of unemployment). Do not include amounts of funds transferred to the CCDF (Discretionary Fund - reported on the ACF-696) or the SSBG. Also, do not include expenditures on pre-K activities or other programs designed to provide early childhood development or educational services (e.g., following the Head Start model); such activities should be reported as "Other" and identified as such in a note to that category).

Line 6c. Transportation. Blocks are shaded and do not have to be filled out. This exists as a mathematical sum of Lines 6c(1) and 6c(2) for each column for transportation activities that do not meet the definition of assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include the value of transportation benefits (such as allowances, bus tokens, car payments, auto insurance reimbursement, and van services) provided to employed families (related either to their work or related job retention and advancement activities) and provided as a non-recurrent, short-term benefit (e.g., during applicant job search or to a recently employed family during a temporary period of unemployment).

Line 6c(1). Job Access. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for the Department of Transportation Access to JOBS program from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Column (A) must include only Federal TANF expenditures that are used as nonfederal match to meet matching requirements for the Department of Transportation Job Access program. Any other expenditure of Federal TANF funds on non-assistance transportation, including the expenditure of Federal TANF funds in the Job Access program, but not for the purpose of matching, must be reported on Line 6c(2).

> **NOTE:** The amount of TANF funds expended on Job Access programs that may be used as nonfederal matching under the Job Access program is limited to the difference between 30 percent of TANF funds (amount reported on Line 1, Column A) and the total amount transferred to SSBG and the Discretionary Fund of CCDF (sum of amounts reported on Line 2, Column A, and Line 3, Column A).

Line 6c(2). Other Transportation. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for other types of transportation activities that do not constitute assistance from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

NOTE: As an addendum to the 4th quarter report, the State must describe the activities and associated expenditures for which "Other Transportation" under this line applies.

Line 6d. Individual Development Accounts. Enter in Columns (A), (B), (C), and (D) expenditures on contributions to Individual Development Accounts and any other expenditure related to the operation of an IDA program that fall outside the definition of administrative costs from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6e. Refundable Earned Income Tax Credits. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures on refundable earned income tax credits paid to families and otherwise consistent with the requirements of 45 CFR parts 260 and 263 of the TANF regulations from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Include State and local tax credits that represent a specific portion of the Federal Earned Income Credit and expenditures on similar State programs designed to defray the costs of employment for low-income families.

Line 6f. Other Refundable Tax Credits. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures on any other refundable tax credits provided under State or local law that are consistent with the purposes of TANF and the requirements of 45 CFR parts 260 and 263 of the TANF regulations from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6g. Non-Recurrent Short Term Benefits. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures on one-time, short-term benefits to families in the form of cash, vouchers, subsidies, or similar form of payment to deal with a specific crisis situation or episode of need and excluded from the definition of assistance on that basis, from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Do not include expenditures on supportive services such as child care or transportation or work activities and expenses (such as applicant job search) provided under a diversion program; these items should be reported in other reporting categories.

Line 6h. Prevention of Out-of-Wedlock Pregnancies. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for prevention of out-of-wedlock pregnancies activities that have not otherwise been reported from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6i. Two-Parent Family Formation and Maintenance. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for two-parent family formation and maintenance activities that have not otherwise been reported from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6j. Administration. Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for administrative costs (as defined in 45 CFR Part 263.0) from October 1st of

the Federal fiscal year for which the report is being submitted through the current quarter being reported.

Line 6k. **Systems.** Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for systems costs related to monitoring and tracking under the program from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

> **NOTE:** Section 404(b)(1) of the Social Security Act limits States to which a grant is made (under section 403) to expend no more than 15% of the grant for administrative costs. In addition, section 404(b)(2) States that the 15% administrative cost cap shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under part IV-A of the Act. The systems exclusion applies to items that might normally be administrative costs, but are systems-related and needed for monitoring or tracking purposes under TANF. Under our final rules the same information technology exclusion applies to MOE expenditures. The TANF regulations at 45 CFR 263.2 and 263.11 provide guidance about what is excluded under this definition.

Line 6l. **Non-Assistance Authorized Solely Under Prior Law.** Enter in Columns (A) and (D) the cumulative total expenditures of Federal funds on non-assistance that are authorized solely under section 404(a)(2) of the Social Security Act from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

These are expenditures that are not otherwise consistent with the purposes of TANF and/or with the prohibitions in section 408.

> **NOTE:** As an addendum to the 4th quarter report, the State must describe the activities and associated expenditures for which "Non-Assistance Authorized Solely Under Prior Law" under this line item applies (e.g., previously authorized juvenile justice or State foster care payments), including information regarding the target population and the services provided. The State must also reference the State plan provision under which they were authorized.
>
> **NOTE:** States may not report MOE expenditures in this category; all State MOE expenditures must be consistent with the purposes of TANF.

Line 6m. **Other.** Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures for other expenditures considered "expenditures on non-assistance" that were not included on Lines 6a through 6l from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. For example, include as "Other" costs on general family preservation activities and parenting training. Include costs on activities such as substance abuse treatment, domestic violence services, and case management to the extent that such costs are not directed at the second goal of TANF and included as work-related costs above.

NOTE: As an addendum to the 4th quarter report, the State must describe the activities and associated expenditures for which "Other" expenditures under this line item applies, including information regarding the target population and the services provided.

Line 7. **Total Expenditures.** Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures (i.e., the sum of Lines 5a through Line 6m) from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

NOTE: As an addendum to the 4th quarter report, the State must describe any estimates used in deriving any expenditures reported in any category. A State may not report estimated expenditures if actual expenditures related to benefits provided to TANF-eligible recipients are reasonably available. If requiring actual data would be infeasible or would materially interfere with delivering the benefit or service and if the State seeks to use a reasonable estimation methodology, it must both describe the methodology and explain why it is reasonable, both in estimating the share of families that can be claimed and the estimates for their expenses.

Line 8. **Transitional Services for Employed.** Enter in Columns (A), (B), (C), and (D) the cumulative total expenditures to provide transitional services to families that cease to receive assistance under the TANF program because of employment from October 1 of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Expenditures reported on this line must also be included in the expenditure categories reported on Line 5 or Line 6.

NOTE: The expenditures reported on this line will duplicate expenditures reported elsewhere in this Report. Section 411(a)(5) of the Social Security Act requires separate quarterly reporting of expenditures on transitional services for families who have ceased to receive assistance because of employment.

Line 9. **Federal Unliquidated Obligations.** Enter in Columns (A) and (D) the cumulative total Federal unliquidated obligations from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. Obligations reported on this line must meet the definition of obligations contained in 45 CFR 92.3. For the Contingency Fund, Column D, this line should indicate $0 (zero dollars) for the report submitted for the fourth quarter.

Line 10. **Unobligated Balance.** Enter in Columns (A) and (D) the cumulative total Federal unobligated balances from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported. After the end of the Federal fiscal year any amount reported in Column (D), as an unobligated balance, will be de-obligated by ACF.

Line 11. **State Replacement Funds.** Enter in Column (B) the cumulative total State Replacement Funds expended as a result of the imposition of a TANF penalty from October 1st of the Federal fiscal year for which the report is being submitted through the current quarter being reported.

<u>Line 12.</u> Estimate for Next Quarter Ended. Enter in Column (A) the estimate of SFAG grant award funds requested for the next quarter ending (refer to the next quarter ending entered at the top of this report).

> **NOTE:** Section 405(c)(1) of the Act states that ACF shall estimate the amount to be paid to each eligible State for each quarter, such estimate is to be based on a report filed by the State of the total sum to be expended by the State in the quarter under the State program funded under section 403.