



Administration for Children and Families

Implementing the ACF-196R



Administration for Children and Families

Use the "Chat Box" in the lower left corner of your screen to submit questions to the presenters.

To ask a question, simply type into the 'text messaging box' as seen below and then press send.

Webinar Overview

- Program Instruction announcing OMB Approval of ACF-196R
- Review changes to the TANF financial data collection
 - Expenditure categories and definitions
 - Accounting methodology
- Next Steps
- Questions



TANF-ACF-PI-2014-02

OMB approved Form ACF-196R, State TANF Financial Report Form

- TANF-ACF-PI-2014-02, published July 31, 2014
- Available at on OFA's website:
<http://www.acf.hhs.gov/programs/ofa/resource/tanf-acf-pi-2014-02>
- Effective with the FY 2015 first quarter report
 - report quarter ending December 31, 2014, due February 14, 2015
- The TANF financial data collection will involve two forms:
 - ACF-196R- submitted on a quarterly basis
 - ACF-196- used when adjusting expenditures submitted during fiscal years prior to FY 2015. (After a state expends all funds for grant years prior to FY 2015, it will no longer need to use the ACF-196).



Limitations of ACF-196 Categories

- Essentially unchanged since the report form first developed
- Spending on cash assistance has declined, with more funds supporting a broader array of services that the current expenditure categories fail to fully capture
- Increase in expenditures reported in “Other” and Assistance/Non-Assistance “Authorized Solely under Prior Law,” with limited information
- Not mutually exclusive



Goals

- Gain greater insight into how states spend TANF and MOE funds
- Eliminate ambiguity in definitions
- Create categories and definitions that are mutually exclusive
- Obtain information that can better inform policymaking
- Avoid placing an undue reporting burden on states



ACF-196 Categories	Proposed Revised Categories
Expenditures on Assistance	Basic Assistance
Basic Assistance	<i>a. Basic Assistance (excluding payments for Relative Foster Care and Adoption and Guardianship Subsidies)</i>
	<i>b. Relative Foster Care Maintenance Payments and Adoption and Guardianship Subsidies</i>
	Assistance Authorized Solely Under Prior Law
Child Care	<i>a. Foster Care Payments</i>
Transportation and Other Support Services	<i>b. Juvenile Justice Payments</i>
Authorized Solely Under Prior Law	<i>c. Emergency Assistance Authorized Solely Under Prior Law</i>
	Non-Assistance Authorized Solely Under Prior Law
	<i>a. Child Welfare or Foster Care Services</i>
	<i>b. Juvenile Justice Services</i>
	<i>c. Emergency Services Authorized Solely Under Prior Law</i>
Expenditures on Non-Assistance	Work, Education and Training Activities
Work Related Activities / Expenses	<i>a. Subsidized Employment</i>
<i>Work Subsidies</i>	<i>b. Education and Training</i>
<i>Education and Training</i>	<i>c. Additional Work Activities</i>
<i>Other Work Activities / Expenses</i>	Work Supports
Child Care	<i>a. Transportation (Assistance and Non-Assistance)</i>
Transportation	<i>b. Job Access</i>
	<i>c. Non-Transportation Work Supports (Assistance and Non-Assistance)</i>
<i>Job Access</i>	
<i>Other</i>	Early Care and Education
Individual Development Accounts	<i>a. Child Care (Assistance and Non-Assistance)</i>
Refundable Earned Income Tax Credits	<i>b. Pre-Kindergarten/Head Start</i>
Other Refundable Tax Credits	Financial Education and Asset Development
Non-Recurrent Short Term Benefits	Refundable Earned Income Tax Credits
	Non-EITC Refundable State Tax Credits
	Non-Recurrent Short Term Benefits
Prevention of Out-of-Wedlock Pregnancies	Supportive Services
2-Parent Family Formation and Maintenance	Services for Older Children and Youth
	Prevention of Out-of-Wedlock Pregnancies
	Fatherhood and Two-Parent Family Formation and Maintenance Programs
	Child Welfare Services
	<i>a. Family Support/ Family Preservation /Reunification Services</i>
	<i>b. Adoption Services</i>
Administration	<i>c. Additional Child Welfare Services</i>
Systems	Home Visiting Programs
Non-Assistance Authorized Solely Under Prior Law	Program Management
	<i>a. Administrative Costs</i>
Other	<i>b. Assessment/Service Provision</i>
	<i>c. Systems</i>
	Other

Summary of Comments on Proposal

- We received some recommendations for more categories and specific changes to language in definitions.
- In general, we accepted recommendations that clarify definitions or ease reporting, while avoiding additional subcategories that would be burdensome and/or do not measurably increase our insights about state spending.



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Child Care	a. Foster Care Payments
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Authorized Solely Under Prior Law	c. Emergency Assistance Authorized Solely Under Prior Law
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Work Subsidies	b. Education and Training
Education and Training	c. Additional Work Activities
Other Work Activities / Expenses	Work S
Child Care	Transportation (Assistance and Non-Assistance)
Transportation	b. Job Access
	Non-Transportation Work Supports
Job Access	(Assistance)
Other	Early Care and Education
Individual Development Accounts	a. Child Care (Assistance and Non-Assistance)
Refundable Earned Income Tax Credits	b. Pre-Kindergarten/Head Start
Other Refundable Tax Credits	Financial Education and Asset Development
Non-Recurrent Short Term Benefits	Refundable Earned Income Tax Credits
	Non-EITC Refundable State Tax Credits
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	a. Administrative Costs
Other	b. Assessment/Service Provision
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	Other

ACF-196 Categories	ACF-196R Categories
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Other Refundable Tax Credits	Non-Recurrent Short Term Benefits
Non-Recurrent Short Term Benefits	Supportive Services
	Services for Older Children and Youth
	Prevention of Out-of-Wedlock Pregnancies
Prevention of Out-of-Wedlock Pregnancies	Fatherhood and Two-Parent Family Formation and Maintenance Programs
2-Parent Family Formation and Maintenance	Child Welfare Services
	<i>a. Family Support/ Family Preservation /Reunification Services</i>
	<i>b. Adoption Services</i>
	<i>c. Additional Child Welfare Services</i>
	Home Visiting Programs
	Program Management
Administration	<i>a. Administrative Costs</i>
Systems	<i>b. Assessment/Service Provision</i>
Non-Assistance Authorized Solely Under Prior Law	<i>c. Systems</i>
	Other
Other	

Special Note on Job Access

- Report as Work Supports, Line 10
 - Included in Total Expenditures
- Report separately on Line 26
 - Not included in Total Expenditures
 - Transfer Limit: The amount of TANF funds used as non-federal matching under the Job Access program is limited to the difference between 30 percent of State Family Assistance Grant (SFAG) and the total amount transferred to Social Services Block Grant (SSBG) and the Discretionary Fund of the Child Care Development Fund (CCDF).
 - Or: Transfer to CCDF+ Transfer to SSBG + Job Access cannot exceed 30 percent of SFAG



Combining Assistance and Non-Assistance

- Concern about the Caseload Reduction Credit calculation
- The ACF-196 should not have been the basis for reporting the amount of assistance on the ACF-202 because most expenditure reports have adjustments and corrections from prior years.
- Separate assistance/non-assistance reporting on the ACF-196R is not necessary for CRC calculation



ACF-196R Part 2

- Narratives required for:
 - Assistance Authorized Solely Under Prior Law
 - Non-Assistance Authorized Solely Under Prior Law
 - Other
 - any expenditures reported based on an estimating methodology
- Required once per year, or validate no information to report.
- Due by the deadline for that fiscal year's fourth quarter report.
- Narratives are associated with all expenditures made in a fiscal year, regardless of the funding stream or grant year (see Cumulative Fiscal Year Report).





"Hey, we're government accountants.
These numbers aren't supposed to add up."

Change Two

ACCOUNTING METHOD



Terms

- Grant Year: The year in which funds were awarded, e.g., GY 2015 are funds that were awarded in FY 2015.
- Fiscal Year: The year during which an expenditure occurs.



ACF-196 Approach

- ACF-196: each quarter, states report cumulative expenditures made with each open grant year award.
- Method of estimating actual expenditures for a fiscal year, for one grant year award:

	GY 2015 spent in FY 2015				GY 2015 spent in FY 2016				GY 2015 spent in FY 2017				Cumulative
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Basic Assistance	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200	
FY Total				\$400				\$400				\$400	\$1,200



Limitation of Current Approach

- When there is an error in prior reporting, an adjustment is made in the current quarter's reporting.
 - Obscures any distinction between actual expenditures in the fiscal year and upward or downward adjustments from prior years
 - May lead to negative expenditures

	GY 2015 spent in FY 2015				GY 2015 spent in FY 2016				GY 2015 spent in FY 2017				Cumulative
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Basic Assistance	\$100 (oops)	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200	
												-\$100	
												\$1100	
FY Total				\$400				\$400				\$300	\$1,100

Goals

1. Obtain actual and accurate expenditures for each fiscal year
2. Monitor cumulative grant year award funds
3. Monitor MOE expenditures, including revisions to MOE claimed in prior years

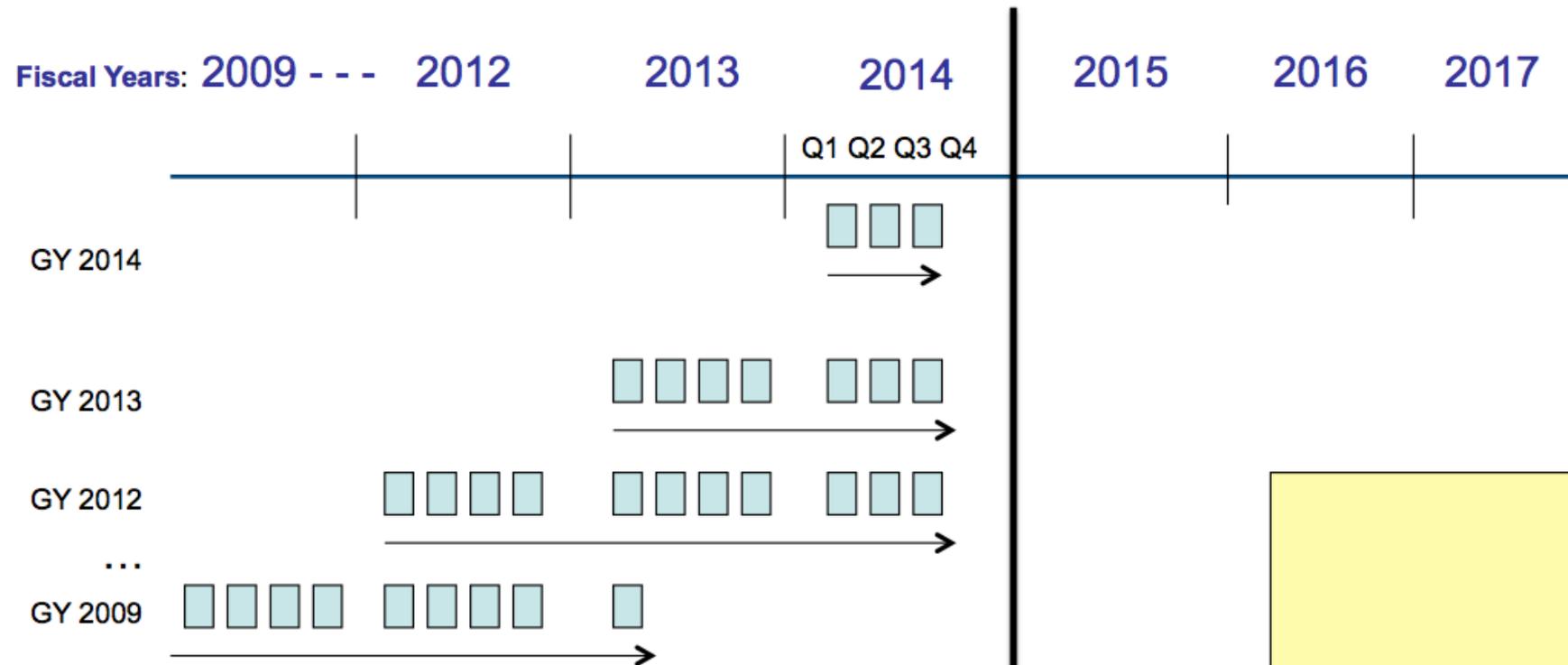


How to Report New Expenditures Beginning FY 2015

Effective FY 2015, a state will report *actual* Transfers, *actual* Expenditures, and *actual* Unliquidated Obligations (henceforth referred to as expenditures) made with each open grant year award during a fiscal year. In other words, each quarterly report will reflect expenditures cumulative through that quarter *for the fiscal year*, resulting in a fourth quarter report that reflects actual expenditures made with the grant year (GY) award funds for the fiscal year. States will no longer report expenditures cumulative through the current reporting period.



Transitioning to the ACF-196R

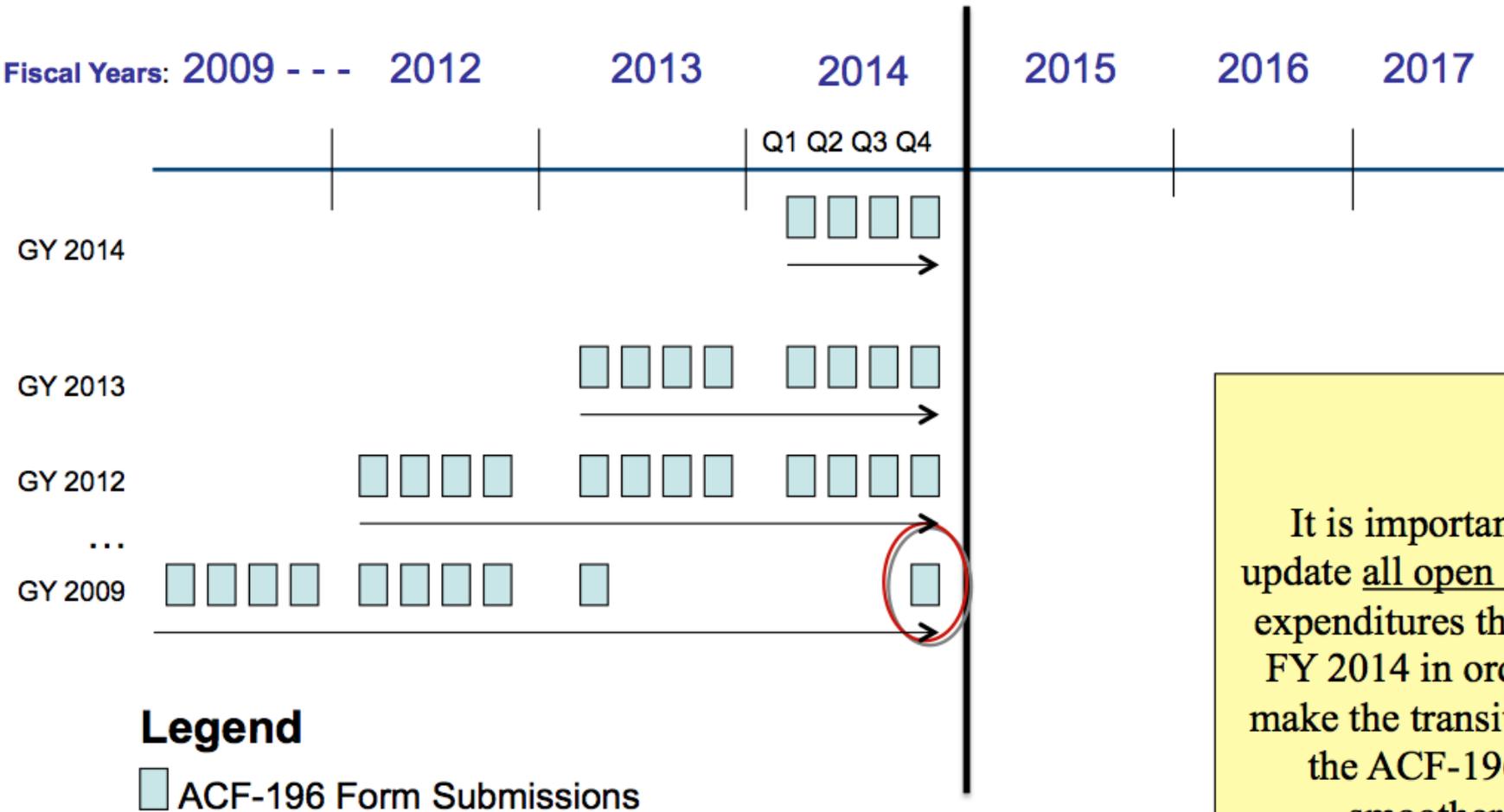


Legend

 ACF-196 Form Submissions

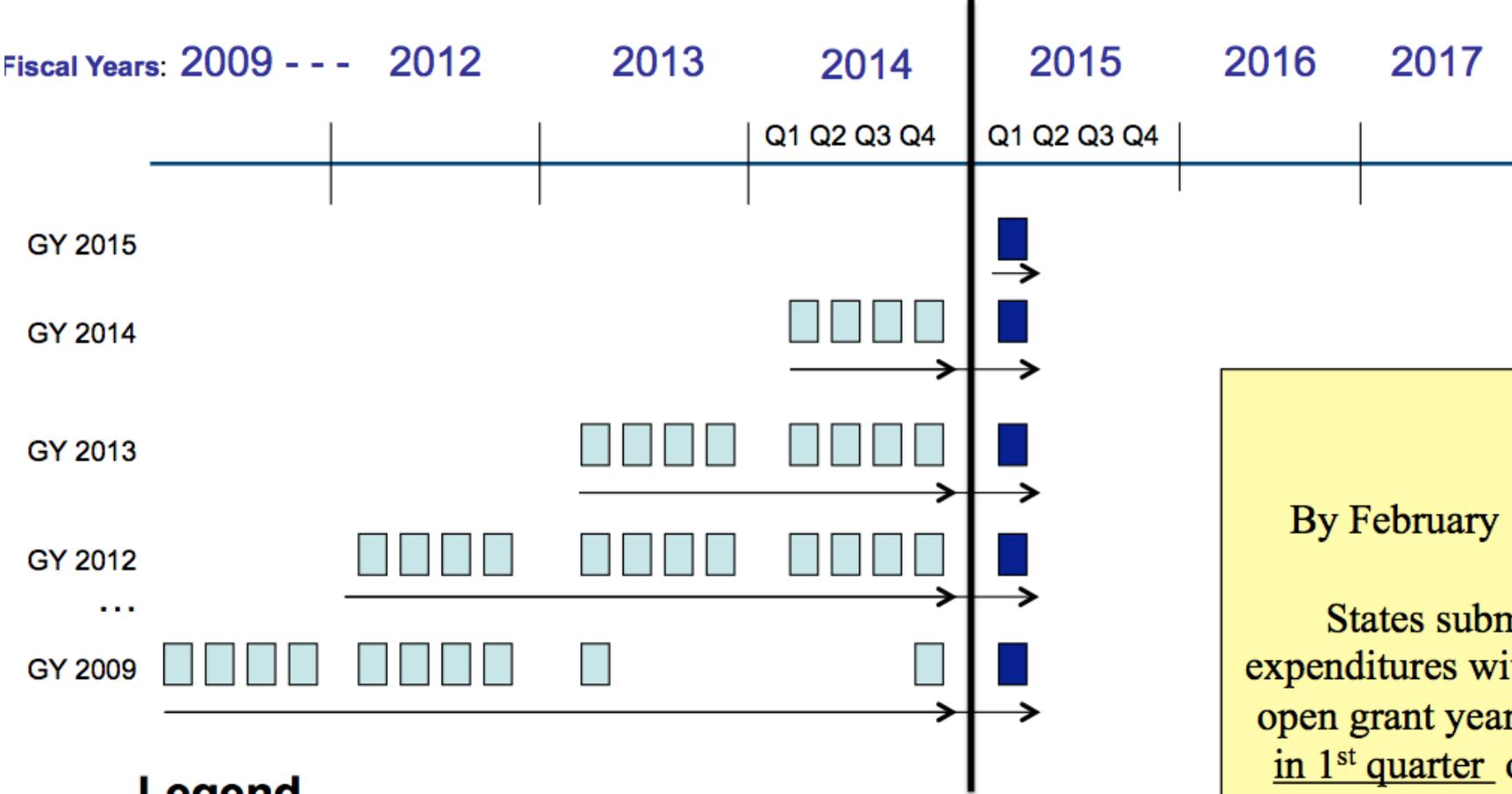
Expenditure reports for all open grants are filed quarterly.

Transitioning to the ACF-196R



It is important to update all open grant's expenditures through FY 2014 in order to make the transition to the ACF-196R smoother.

Reporting New Expenditures



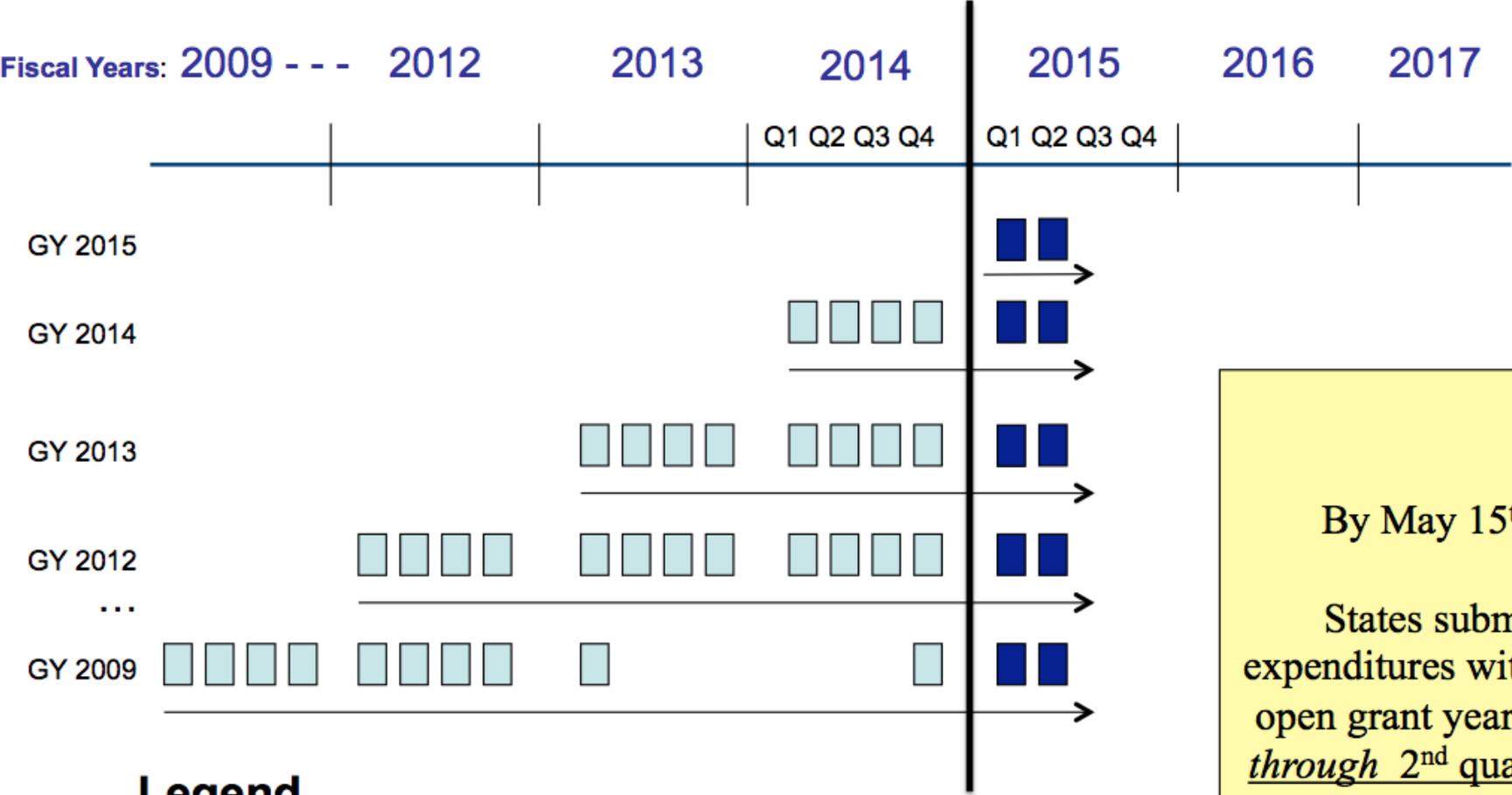
Legend

- ACF-196 Form Submissions
- ACF-196R Form Submissions

By February 14th:

States submit expenditures with each open grant year made in 1st quarter of the current fiscal year

Reporting New Expenditures



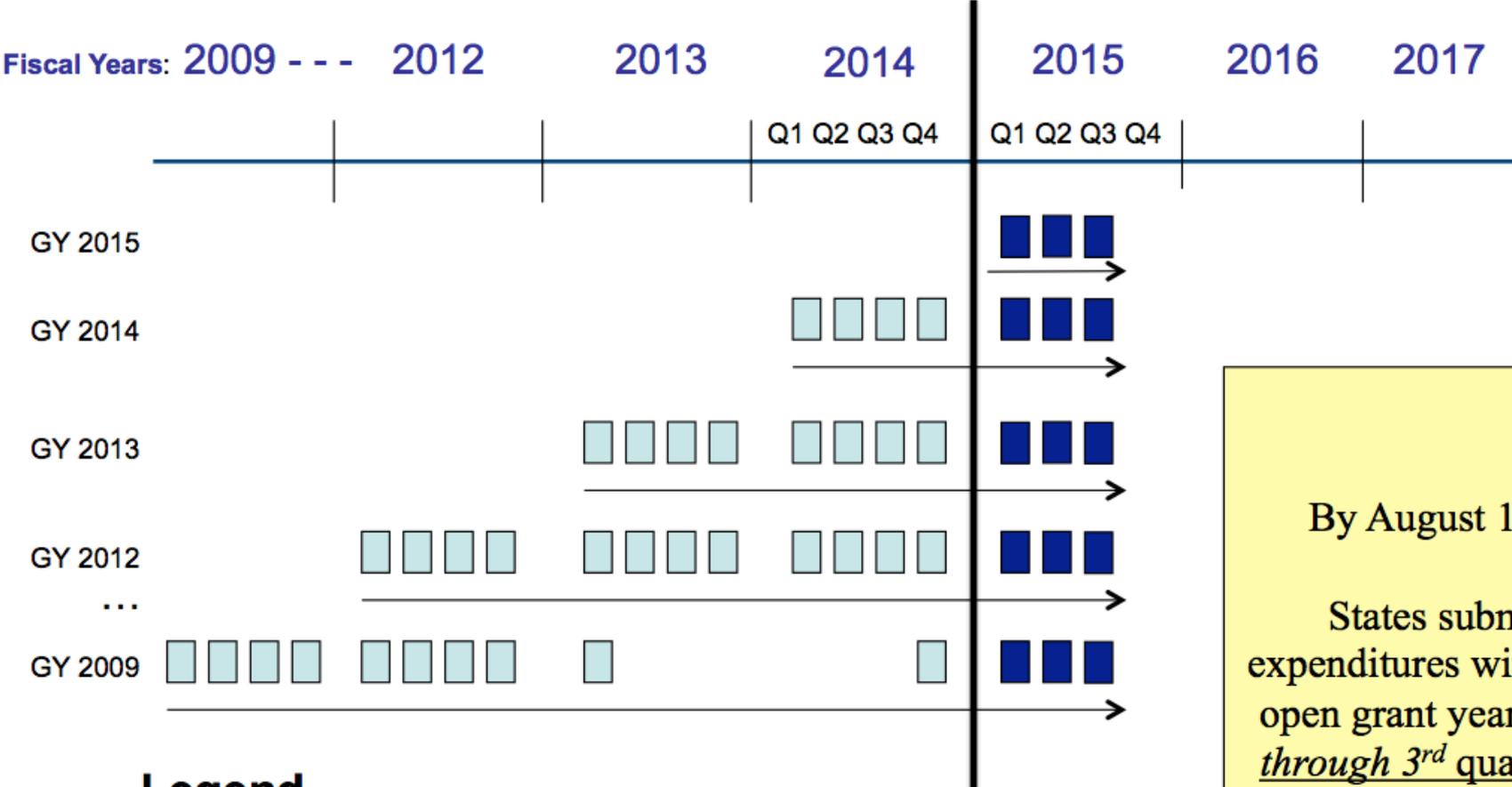
Legend

- ACF-196 Form Submissions
- ACF-196R Form Submissions

By May 15th :

States submit expenditures with each open grant year made *through 2nd quarter* of the current fiscal year.

Reporting New Expenditures



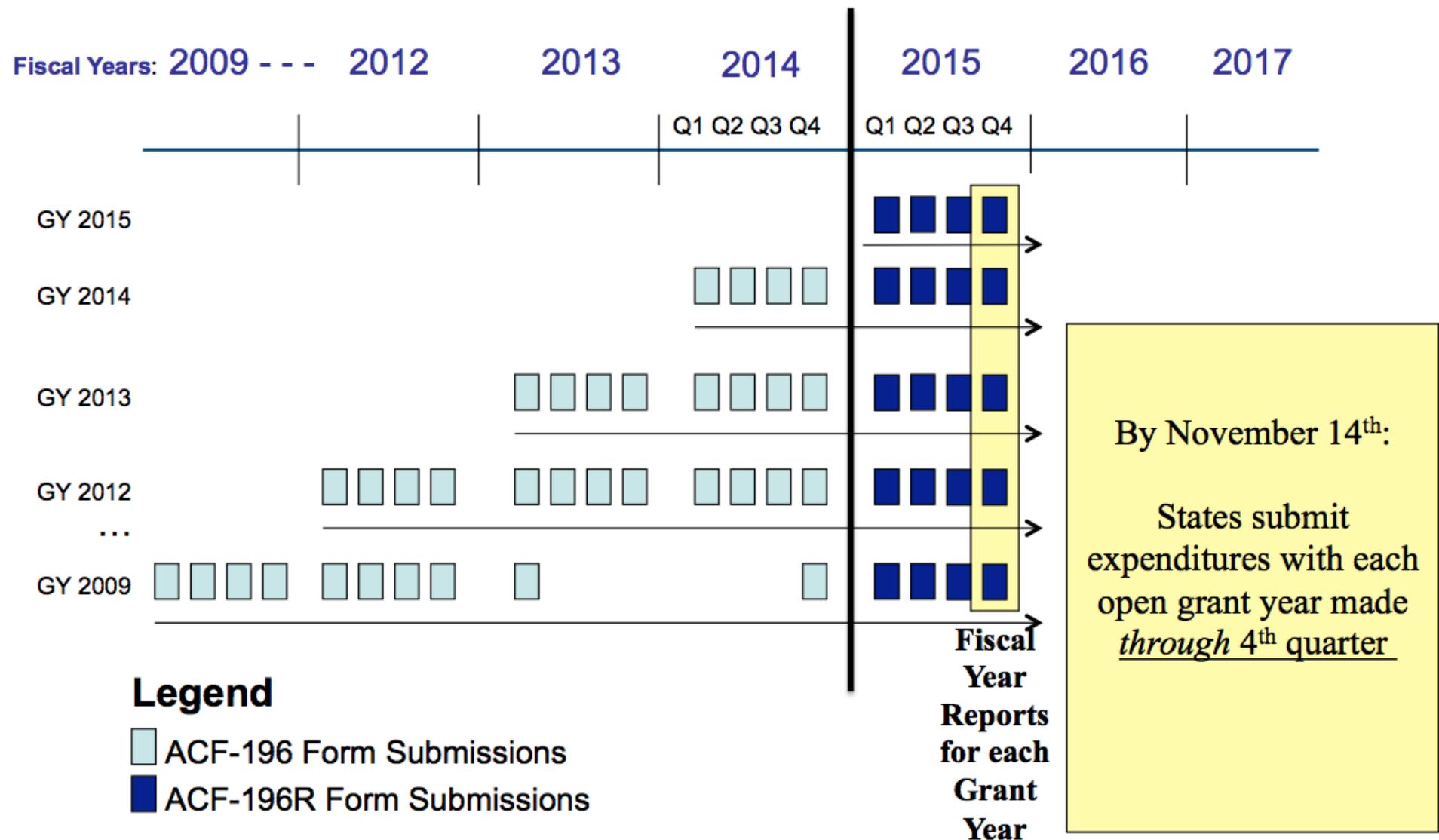
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- ACF-196 Form Submissions
- ACF-196R Form Submissions

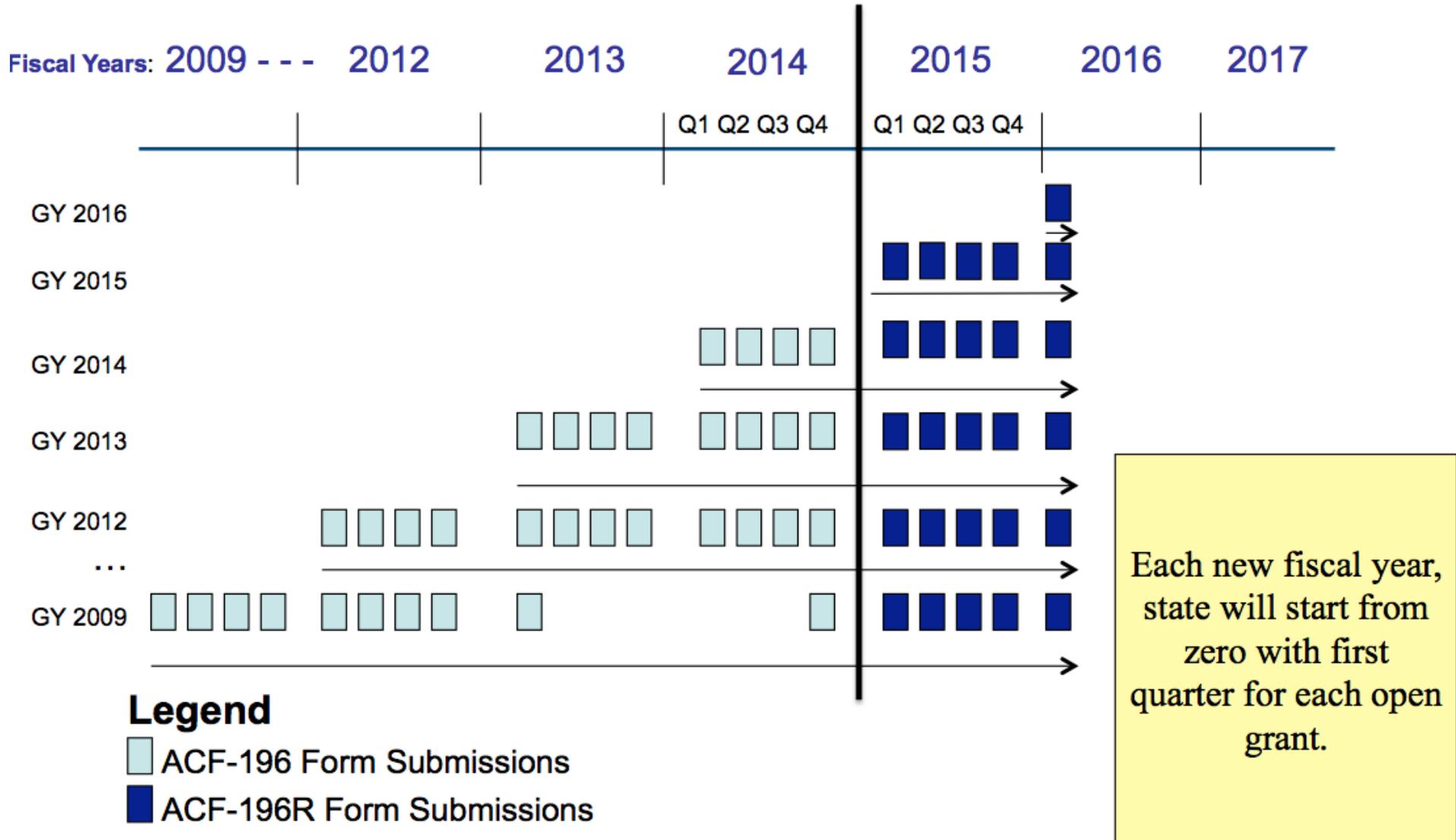
By August 14th:

States submit expenditures with each open grant year made *through 3rd quarter* of the current fiscal year.

Reporting New Expenditures



Reporting New Expenditures



Reporting New Expenditures

- No gaps: keep all open grants up-to-date
 - If no expenditures were made with grant in 1st quarter, submit zeros
 - If no expenditures were made with grant in 2nd, 3rd, or 4th quarter, clone prior quarter's report
- The OLDC system will makes sure that states have no gaps in filing report periods: states must complete missing reports from prior quarter before initiating a new report for the selected quarter

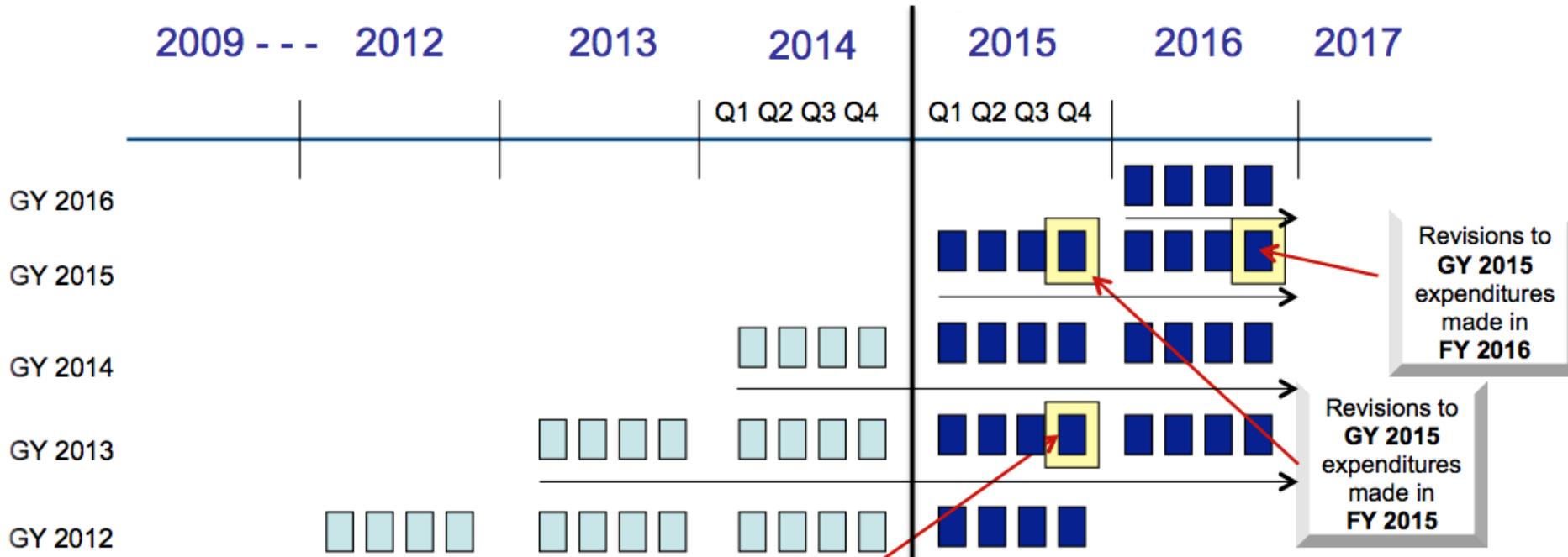


Revisions to Previously Reported Expenditures FY 2015 and Beyond

Beginning with FY 2015, revisions to any expenditures made in FY 2015 and thereafter (federal and MOE) should be made to the ACF-196R of the report quarter ending September 30th of the fiscal year in which the expenditure occurred.



Revisions to Previously Reported Expenditures FY 2015 and Beyond



Legend

- ACF-196 Form Submissions
- ACF-196R Form Submissions

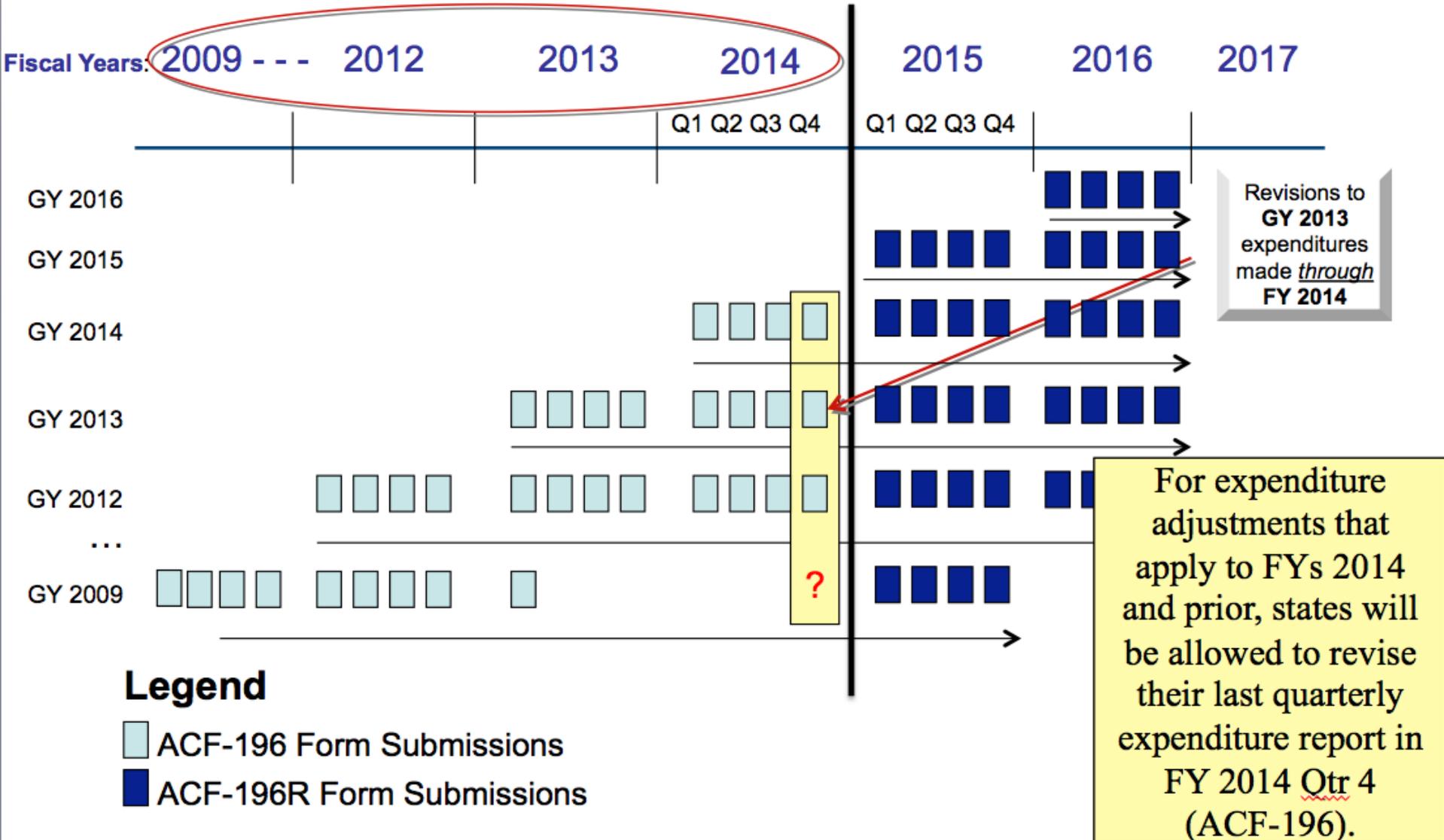
For expenditure adjustments that apply to FYs 2015 and beyond, states will be allowed to revise the Grant Year's appropriate Fiscal Year expenditure report - i.e., in the year in which the expenditure occurred – along with a brief statement in an addendum that explains why each revision is necessary.

Revisions to Expenditures Reported prior to FY 2015

For needed adjustments or corrections related to expenditures that occurred prior to FY 2015, states will be able to access the ACF-196 displaying each grant year's expenditures and transfers cumulative through FY 2014. This will be based initially on the report submitted for the quarter ending September 30, 2014. States will report adjustments and corrections to this data in the appropriate grant year report. Note that there are no separate fiscal year reports prior to FY 2015.



Revisions to Expenditures Reported prior to FY 2015

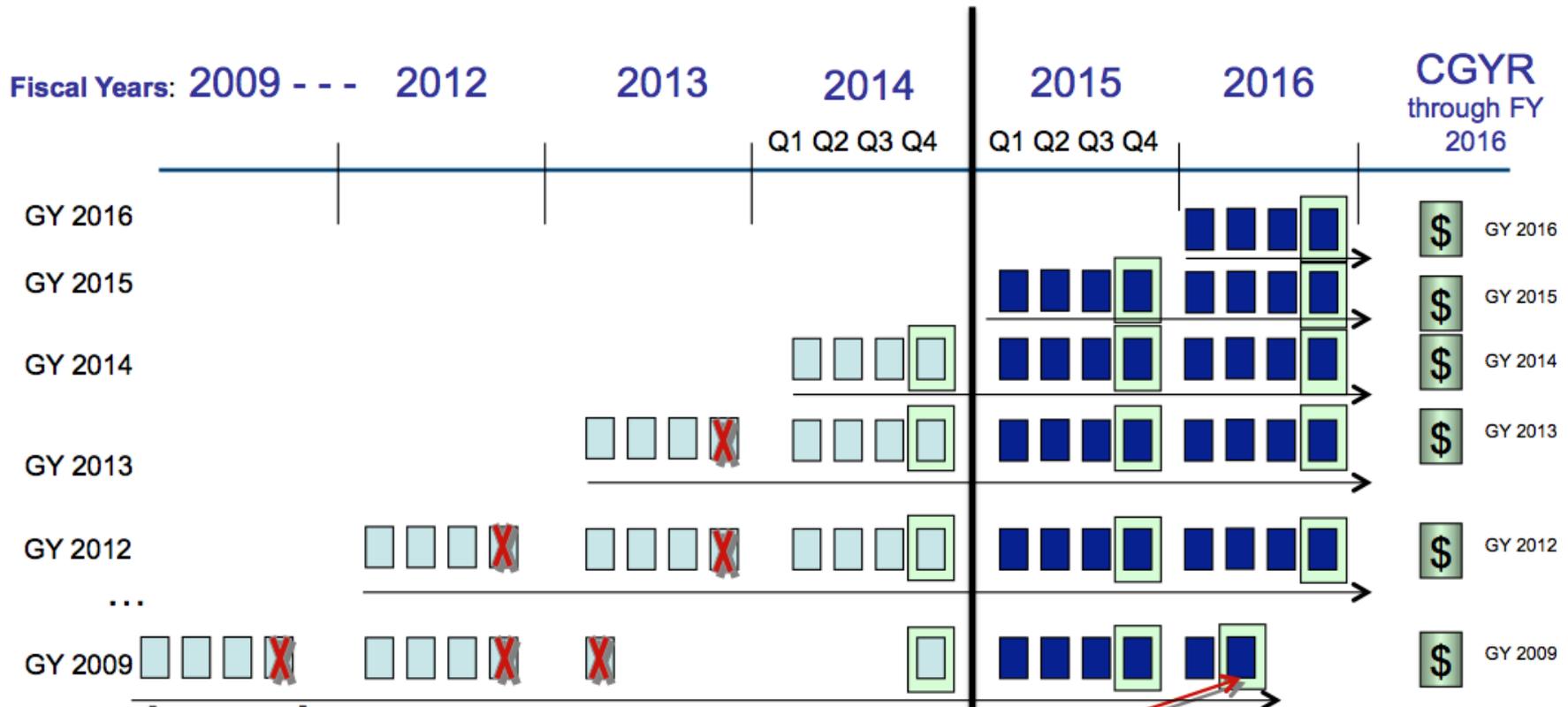


Cumulative Grant Year Reports

- The data collection system will generate a report showing cumulative expenditures made with each open grant year's award.
- States can view total expenditures made with each open grant year award, as well as funds remaining.
- States can monitor compliance with statutory requirements, including the 15 percent cap on administrative costs and the 30 percent limit on transfers to the Social Services Block Grant (SSBG) and the Child Care and Development Fund (CCDF).



Cumulative Grant Year Reports



Legend

-  ACF-196 Form Submissions
-  ACF-196R Form Submissions
-  Last FY Report Submission
-  Cumulative Grant Year Report

Final Expenditure Report for Grant

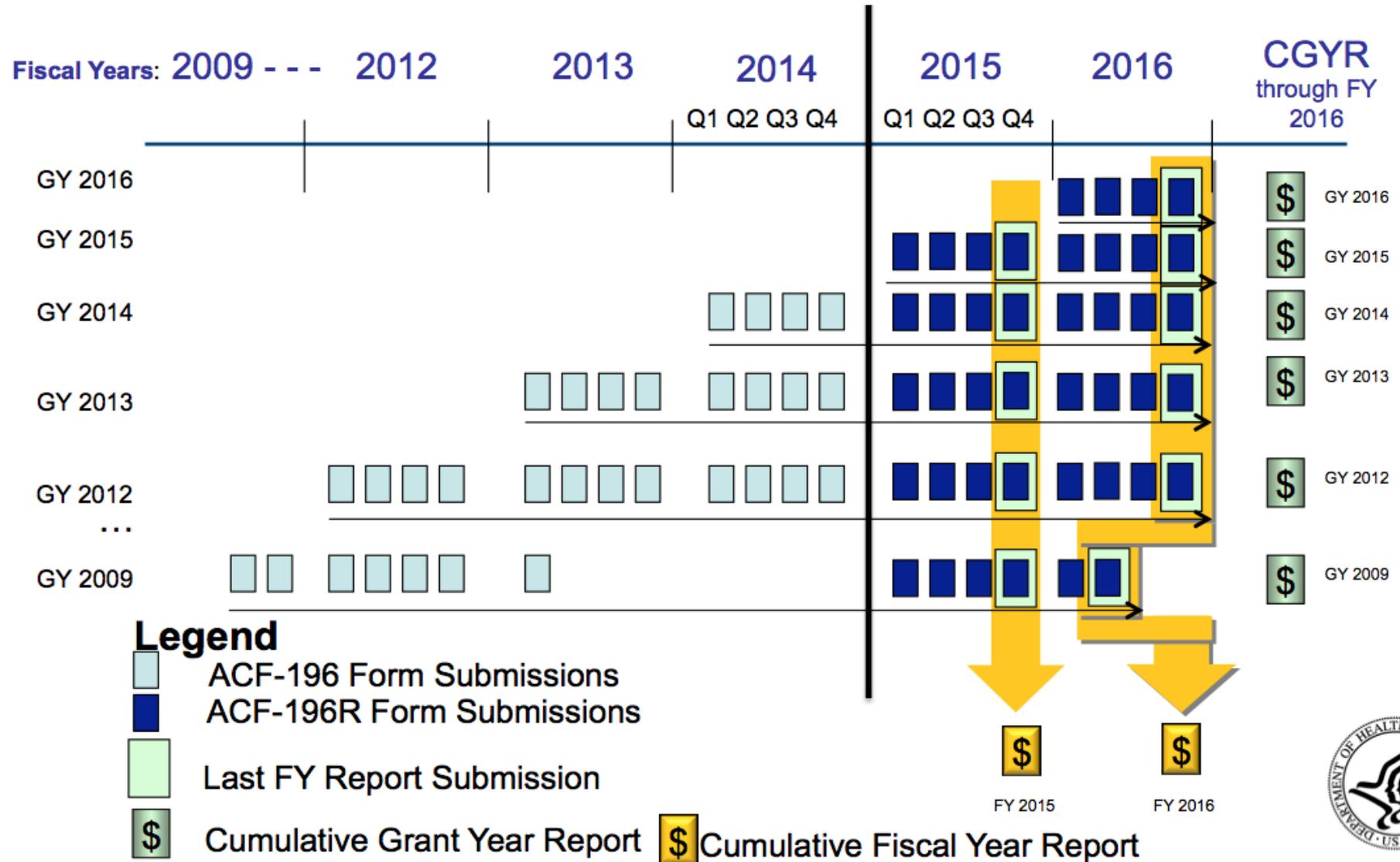
A Cumulative Grant Year Report will be generated through any point in time, adding the last quarterly form submissions.

Cumulative Fiscal Year Reports

The data collection system will generate a report that sums actual expenditures made with each open grant year during a fiscal year.



Cumulative Fiscal Year Reports



REPORTING MOE

- Only report MOE for the fiscal year in the corresponding grant year's report (i.e., when FY=GY)
 - e.g., GY 2015 expended in FY 2015 is used to report FY 2015 MOE
- FY 2015 and forward: revise prior expenditures claimed as MOE in the report for the fiscal year in which it was reported, i.e., Fiscal Year Report for the Grant Year.
- Pre-FY 2015: revise expenditures claimed as MOE in the appropriate grant year's ACF-196.
 - e.g., to revise expenditures claimed as MOE in FY 2013, go to ACF-196 for GY 2013 expended through FY 2014.



MOE and the CRC

- OLDC will provide snapshot of MOE reported by 12/31 (one quarter after the end of the FY).
- If state increases total MOE after deadline, additional amount does not count for excess MOE.
- If state reduces MOE after credits have been issued, it will invalidate credit (even if the lower MOE amount doesn't result in a penalty).



Feedback on Accounting Methodology

- Supportive of the proposed accounting methodology
- Urged ACF to develop a clear system for documenting and disseminating revisions are they are submitted.
 - We plan to update previously published expenditures once a year with the publishing of new expenditures.
- Concern that this methodology forces states to adopt accounting on an accrual basis.
 - A state should report and revise expenditures according to its own accounting method (cash vs. accrual).
 - Adjustments do not necessarily result in accrual accounting; they result from fixing an error.
- Difficulty in meeting the 45-day reporting deadlines due to the timing of when counties submit their reports.
 - Account for the late reporting as an adjustment.



Next Steps

- Update expenditures made with all open grants through FY 2014
 - ACF-196 for each open grant in Quarter 4 of FY 2014
 - States will use these forms to update expenditures reported prior to FY 2015
- Testing by select state and regional staff: early November
- Technical Webinar for TANF Program and Fiscal Staff: mid-December (exact date and time TBD)
- New form available in OLDC: January 2, 2015
- Any questions can be sent to: Peter Germanis at peter.germanis@acf.hhs.gov



Questions?
Comments?

