U.S. Department of Health and Human Services
ADMINISTRATION FOR CHILDREN & FAMILIES
Office of Family Assistance

Webinar Summary

Proposed Revisions to TANF Financial Reporting: Implementing the ACF-196R - Part 1: Overview & Part 2: Technical

Part 1: Monday, September 23, 2013
Part 2: Thursday, October 24, 2013

Speakers: Susan Golonka, Deputy Director, Administration for Children and Families, Office of Family Assistance; Peter Germanis, Senior Policy Advisor/National Expert, Administration for Children and Families, Office of Family Assistance; Maria Sciannameo, Program Specialist, Administration for Children and Families, Office of Family Assistance

Content: Overview of the Federal Register Notice and the Information Memorandum (IM) that were published on proposed changes to TANF financial data reporting. Topics covered include discussions of expenditure categories, definitions, changes to the accounting methods, and walk-through of detailed Excel examples that illustrate functionality and interaction across years in various reports.

PROPOSED REVISIONS TO TANF FINANCIAL REPORTING: IMPLEMENTING THE ACF-196R

Susan Golonka, the Deputy Director of the Office of Family Assistance (OFA), Administration for Children and Families (ACF), Department of Health and Human Services, welcomed participants to the Webinars on proposed revisions to TANF financial reporting. She explained that States are required to submit quarterly financial reports currently using the ACF-196 form and ACF has been working internally to improve the ACF-196 form. There is a new form and name, but the idea is that ACF gets a better understanding of how States are spending their funds. The improved form is meant to be clearer about where States should report spending between various activities. It aims to unpack a lot of the spending that has been, in some ways, clumped together in categories of "Other" and sometimes "Out-of-Wedlock Pregnancy Prevention."

Two staff experts, Maria Sciannameo, a Program Specialist, and Peter Germanis, a Senior Policy Advisor, work within the Office of Family Assistance and worked extensively on improving the form. During the Webinars, Ms. Sciannameo and Mr. Germanis discussed the changes, as well the reasons why the changes are being made. Additionally, ACF published a Paperwork Reduction Act Notice in the Federal Register, which leads States to an IM, copies of the instructions, and the actual forms.

WEBINAR OVERVIEW

Ms. Sciannameo provided an overview of what the webinar would cover, which included reviewing the Federal Register Notice and the IM that were published, discussing the proposed changes to TANF financial data selection and reasons for the changes, the expenditure categories and definitions and changes to the accounting methods, and the types of comments ACF requested in relation to the information collection.

FEDERAL REGISTER NOTICE AND IM

The Federal Register Notice was published on September 12th and provided a description of the proposed changes to the TANF financial reporting requirements and summarized the comments sought. The new form, the ACF-196R, will be the primary form that States use to report quarterly TANF expenditures. As the Federal Register Notice also explained, the ACF-196 form will be maintained for the purposes of revising historical data. Finally, the Federal Register Notice provided instructions for submitting comments and these were due on November 12, 2013. An IM was also released, which provided more background information explaining reasons behind the changes and summarizing the comments requested, and providing contact information for questions. Most importantly, the IM has the proposed form and instructions attached so States can access and review those; it links back to the Federal Register Notice.

CHANGE ONE: EXPENDITURE CATEGORIES AND DEFINITIONS

The change discussed was the expenditure categories and definitions.

LIMITATIONS OF ACF-196 CATEGORIES

Ms. Sciannameo discussed the limitations of the current ACF 196; noting that these categories of expenditures have essentially remained unchanged since the report was first developed. During that time, spending on cash assistance has declined, with more funds supporting a broader array of services for TANF non-assistance activities. Policy-makers and researchers have recognized that this current data collection cannot capture the whole picture on how States spend their TANF and Maintenance of Effort (MOE) funds. Looking at historical data, there is a growth in the amount reported as “Other Non-Assistance.” In FY 2012, “Other” accounted for 14.6 percent of total funds used and there has been a particular growth in the amount reported with MOE as “Other” non-assistance, more than doubling between FY 2001 and 2012. For other non-assistance there is not a detailed breakdown of what that is.

Ms. Sciannameo explained that there is also little meaningful information collected on the current ACF-196 reporting for “Assistance Authorized Solely Under Prior Law” and “Non-Assistance Authorized Solely Under Prior Law.” These are largely limited to expenditures on child welfare, juvenile justice, and emergency assistance, but there is currently not a breakdown for States to report on this level. Total spending for the “Authorized Solely Under Prior Law” category in 2012 was 4.5 percent of all funds used, so taken together “Other” and the “Authorized Solely Under Prior Law” categories represent one in five TANF and MOE dollars used.

Finally, the current categories are not mutually exclusive and this obscures any analysis when States report differently, so spending across States cannot be compared. One example is pre-school expenditures reported in the “Prevention of Out-of-Wedlock Pregnancies” category. Other States report it under “Other” and some States as “Child Care” even though the instructions specifically exclude this expenditure from this category.

FEDERAL TANF AND STATE MOE EXPENDITURES SUMMARY BY ACF-196 SPENDING CATEGORY, FY 2012

Ms. Sciannameo showed an example of a summary of FY 2012 spending for one State that provided an illustration of the limitations of the current categories. This State reported 41 percent of their expenditures for “Prevention of Out-of-Wedlock Pregnancies.” Most of this is MOE and a significant portion is pre-K spending. The current categories do not provide this breakdown, but the proposed new categories will allow the States to report their expenditures more appropriately. Another example provided was of a State that in FY 2012 reported 74.3 percent of their expenditures as “Other.” Again, no detailed breakdown of what that is. And finally, ACF is mindful of the burden that is placed on States so ACF is trying to strike a balance between getting more detailed reporting but not making it excessively burdensome for States.

GOALS

The goals with the new expenditure categories are to address the limitations of the current categories. ACF wants to gain greater insight into how States spend the TANF and MOE funds, eliminate ambiguity in the definition, create categories and definitions that are mutually exclusive, and obtain information that can better inform policy-making.

COMPARISON OF CURRENT ACF 196 CATEGORIES WITH PROPOSED 196R CATEGORIES

Ms. Sciannameo provided a comparison of the current ACF-196 categories with the proposed categories for the ACF-196R. These new categories for the ACF-196R were informed by the Claims Resolution Act data collection, which required States to submit additional data in TANF and MOE expenditures for two reporting periods in 2011 for the categories of “Other”, “Assistance Authorized Solely Under Prior Law” and “Non-Assistance Authorized Solely Under Prior Law.” One major difference is the change of the overall structure; the expenditures are no longer being organized as “Assistance” and “Non-Assistance,” and that is really relevant for “Child Care” and “Transportation” and some “Work Support.”

MAPPING OLD TO NEW CATEGORIES: BASIC ASSISTANCE

Next, Ms. Sciannameo provided an illustration of how a difference in ACF 196 categories will map to the new ACF-196R. The expenditures listed in the example were examples of the mapping. She mentioned that States should review their definitions and allocate their expenditures in a manner that States believe are most appropriate going forward.

The first category Ms. Sciannameo discussed was “Basic Assistance.” She said there is an interesting break out of how much is going to TANF-eligible foster care families which are, for the most part, kinship care families as well as eligible adoptive and guardianship families. This second sub-category under “Basic Assistance,” would also include payments made to foster parents standing in loco parentis if State law provides. There is an important distinction that Ms. Sciannameo pointed out the difference between “Basic Assistance” in this first and second sub-category. The second sub-category, as far as kinship care is concerned, are families with children for whom the foster care system has care and responsibility. In more informal kinship care arrangements, where the child welfare system does not have care and responsibility, these are categorized in the “Basic Assistance” expenditures.

MAPPING OLD TO NEW CATEGORIES: AUTHORIZED SOLEY UNDER PRIOR LAW CATEGORIES

There are also “Authorized Solely Under Prior Law” categories. ACF is now requiring States to report three sub-categories under each of these for “Assistance Authorized Under Prior Law” and “Non-Assistance Authorized Solely Under Prior Law.” Based on the Claims Resolution Act Report that Congress requested, there is an interest in knowing what exactly these activities are. These activities were very much informed by the Claims Resolution Act data collection.

MAPPING OLD TO NEW CATEGORIES: WORK SUBSIDIES, EDUCATION AND TRAINING, AND OTHER WORK ACTIVITIES/EXPENSES

These three categories essentially map one-to-one and ACF tweaked the title and the definition to be clearer.

MAPPING OLD TO NEW CATEGORIES: TRANSPORTATION AND CHILDCARE

These categories are where “Assistance” and “Non-Assistance,” were combined so “Transportation” and “Other Supportive Services” on the ACF-196 as well as “Other Transportation” will map to “Transportation.” The other supportive services piece will map to “Non-Transportation Work Support Assistance.” On the ACF-196, “Child Care Assistance” and “Child Care Non-Assistance” are broken down; on the ACF-196R, those will be combined into one category. The reason is because most analyses of these expenditures simply used the total.

MAPPING OLD TO NEW CATEGORIES: JOB ACCESS, INDIVIDUAL DEVELOPMENT ACCOUNTS, REFUNDABLE EARNED INCOME TAX CREDIT, OTHER REFUNDABLE TAX CREDITS, NON-RECURRENT SHORT-TERM BENEFITS

Ms. Sciannameo explained that some categories, such as "Job Access," are essentially unchanged. For "Individual Development Accounts," ACF created a new category called "Financial Education and Asset Development." This includes Individual Development Accounts, but is broadened to include other activities related to savings and financial education. "Refundable EITC," "Other Refundable Tax Credits," and "Non-Recurrent Short-Term Benefits" are essentially the same and they map one-to-one.

MAPPING OLD TO NEW CATEGORIES: PREVENTION OF OUT-OF-WEDLOCK PREGNANCIES, TWO-PARENT FAMILY FORMATION AND MAINTENANCE, ADMINISTRATION, AND SYSTEMS

ACF made a big change for the "Prevention of Out-of-Wedlock Pregnancy" category, Ms. Sciannameo discussed, limiting it to sex education and abstinence education. A new category, "Services for Older Children and Youth," was created for activities that States likely have reported under "Prevention of Out-of-Wedlock Pregnancies" up until now. One thing Ms. Sciannameo emphasized was that these activities are not tied to the TANF purposes. States should report according to the activity, not the TANF purpose. For example, where "Prevention of Out-of-Wedlock Pregnancies" might have included pre-K expenditures in some States, such expenditures would now be reported in a new category for pre-K. The "Two-Parent Family Formation and Maintenance" category has been explicitly expanded to include fatherhood activities. And the last two categories, "Administration" and "Systems," are essentially unchanged.

MAPPING OLD TO NEW CATEGORIES: OTHER

Finally, Ms. Sciannameo showed an illustration of how ACF added to the expenditures category list to limit how much States are reporting as "Other." They added a host of new categories that are not on the current ACF-196, including: pre-K; an expenditure for "Supportive Services;" three sub-categories of child welfare services: "Family Support/Family Preservation/Reunification Services," "Adoption Services," and "Additional Child Welfare Services"; "Home Visiting" (as there is a particular interest among advocates and legislators in knowing how much TANF is going towards home visiting services) ; "Assessment and Service Provision;" and "Financial Education and Asset Development ." As mentioned before, "Financial Education and Asset Development" may have some expenditures that States reported in "Other" and moving forward it should be reported in "Financial Education and Asset Development." The hope is to reduce, to the greatest extent possible, the amount reported as "Other" and as States saw in the illustration, the amount is zero.

ACF-196R Part 2

Part 2 to the ACF-196R requires States to provide a description of the activities associated with expenditures reported under "Assistance Authorized Solely Under Prior Law," "Non-Assistance Authorized Solely Under Prior Law," and "Other." States are also asked to describe the methodology used to estimate any expenditures. Keeping in mind the burden, ACF is only requiring one set of narratives for each fiscal year, regardless of the source of funding.

CHANGE TWO: ACCOUNTING METHOD

A participant on the Webinar asked "*Wouldn't the Services for Older Children and Youth be the same as the 'Prevention for Out-of-Wedlock Pregnancies'? If you could distinguish the difference between the two, I would appreciate it.*"

Ms. Sciannameo encouraged States to review the definitions under the new ACF-196R, "Prevention of Out-of-Wedlock Pregnancies" is limited to sex education and abstinence programs. Other types of after-school activities, like mentoring activities, would go in "Services for Older Youth and Children." "Services for Older Youth and Children" may have a component related to sex education or abstinence and States should to do their best to differentiate those and try to allocate the expenditures appropriately.

Mr. Germanis then mentioned that in 2005, Mark Greenberg, who is now the Deputy Assistant at ACF, wrote a paper called "TANF Spending in 2003." He discussed many of the current issues raised throughout this Webinar and his paper is a good illustration of a policy analysis of TANF spending. But at the time, he concluded that there are "serious deficiencies in the current financial reporting structure." Since then things have not changed. In fact, some of the deficiencies have gotten a bit worse, with a lot of them having to do with the ways of trying to estimate real TANF spending. For example, from his report, he found that between 2002 and 2003, spending on "Basic Assistance" grew by almost 10 percent from slightly over $9 billion to over $10 billion, even though at the time there was no change in the caseload. Whenever this happens, ACF checks to see whether it is because of a policy changes, such as an expansion in state basic assistance benefits or the creation of a new type of assistance benefit. In fact, upon closer examination, there were just technical changes in the way the dollars were reported. There was not a significant increase in spending.

Shortly thereafter, Mr. Greenberg also wrote a letter to ACF asking for a look at the categories and accounting issues. At that time ACF was developing options to address these problems, but the Deficit Reduction Act came and that diverted everyone, followed by the Emergency Fund. But both of those laws would have benefited from having data on actual spending in a year -- because with the Deficit Reduction Act many States took advantage of the excess MOE provision and the Caseload Reduction Credit and for that report a separate spending report has to be submitted because due to the accounting issues, ACF does not have the data needed to calculate the excess MOE share of the credit. With the Emergency Fund, ACF examined spending increases between a base year and a request year by quarter. Again, ACF could not use the current ACF 196 because it is not structured to collect real-time data and they had to develop a separate reporting form.

Mr. Germanis then discussed a brief overview of how they try to estimate actual expenditures.

TERMS

Mr. Germanis referred to two types of years: grant years and fiscal years. When TANF block grant funds are awarded, the awards can be held until the awards are spent and can be spent over multiple years. MOE and contingency funds have to be spent in the year those funds are received. When referring to a grant year, it is referring to a specific year that a block grant was awarded; the fiscal year refers to the year the money was actually spent in. It is this fiscal year's data that ACF does not have a good handle on and will be trying to get additional information on. The fiscal year data is what ACF calls the "real" expenditure data, or the actual expenditures.

CURRENT APPROACH

Mr. Germanis discussed the way they try to get or estimate what actual expenditures are in a given year: first, when a State reports by grant year, for example if it is 2015, and a State gets $1,200 in TANF and it spends those $1,200, $100 a quarter evenly over three years, a State reports on a cumulative basis. It will report $100, $200, $300, $400, $500, until at the end of 2017 it spent a total of $1,200. These are the cumulative grant year expenditures for one grant year. That is not what a State actually spent in any fiscal year. So to estimate, for example, expenditures in FY 2015, one looks at the total spent at the end of the fourth quarter of FY 2015. But at the end of FY 2016, there is a cumulative of $800. So ACF subtracts the cumulative from the end of FY 2015 to estimate that the State spent $400 in FY 2016. At the end of FY 2017, ACF would subtract the cumulative from the end of FY 2016. Again, the result is $400. So that is how ACF estimates what the State has spent for one given grant year. If States have multiple grant years open, say from '14, '15, '16, they would add up all of those net changes to get the total amount spent in a fiscal year.

LIMITATION OF CURRENT APPROACH

Mr. Germanis discussed that a limitation of the current approach is when a State has an error or an omission from some prior year in its spending, the State does not go back to the year that the spending error or omission occurred, the State just enters the change in the current quarter. In the example provided on the Webinar, if there was a $100 mistake in the first quarter of FY 2015, i.e., that it should have been zero, under the current practice, the state would not fix the erroneous amount in the first quarter of FY 2015, but would instead reflect the change in the fourth quarter of FY 2017. That makes it look like when it is fixed this way, there is no change to 2015 spending, and it is still $400, even though it was really $300. And it makes it look like the FY 2017 spending of the 2015 grant was just $300 in FY 2017. In fact, it was $400. This is a simple example but it happens often enough where there are real problems in trying to judge what spending is based on particular activities. In fact, in some cases the result is negative expenditures because the adjustments and corrections are so large.

STATE EXAMPLE: FEDERAL TANF AND STATE MOE EXPENDITURES SUMMARY BY ACF-196 SPENDING CATEGORY, FY 2012

Mr. Germanis then showed an example from one State where for the entire fiscal year, there was negative spending on "Child Care," "Transportation," "Other Support Services," "Assistance Under Prior Law," and then "Non-Assistance Transportation." When looking at something like a negative expenditure it looks odd and implausible. But it is possible because of the way that these adjustments and corrections are treated.

GOALS

Mr. Germanis discussed that the goals are to get actual and accurate expenditures for each fiscal year, while still monitoring the cumulative grant year award funds. It is important, he said, because it is by grant year ACF monitors adherence to the 15 percent administrative cap and the 30 percent limit on transfers, so they still have to be able to track things by grant year. They also need to monitor MOE expenditures including any changes.

ADJUSTMENTS TO PREVIOUSLY REPORTED EXPENDITURES

Mr. Germanis then discussed that going forward effective FY 2015 ACF will require States to report actual expenditures made during a fiscal year from each open grant year award on the new ACF-196R. States will continue to submit a cumulative expenditure within a fiscal year, but once that fiscal year is over they will start a new fiscal year from zero and report for that year. Again, using the example with grant year 2015 going through FY 2017, a State would have three separate fiscal year sheets, reporting the actual amounts spent in each of those fiscal years. When there is an adjustment to a previously reported expenditure, instead of changing that expenditure in the current quarter, which skews all the results, the State would go back to the fiscal year in which the change is needed. For example, suppose it is FY 2017 and the State wants to make a change to an expenditure with their grant year 2015 funds for a mistake that occurred in FY 2016. The State would revise the ACF-196R for grant year 2015 expended in FY 2016.

ADJUSTMENTS TO PREVIOUSLY REPORTED EXPENDITURES, CONT'D

Next, Mr. Germanis discussed that the main change is, instead of continuing to report cumulative numbers that build year on year, States will be reporting expenditures by fiscal year, beginning with FY 2015. That is what States do when they submit a Caseload Reduction Credit Report form or for the expenditure categories for the Emergency Fund. If there are changes to prior year periods, when updating the earlier fiscal year report, ACF will also ask for a brief statement that explains why the revision is necessary; that does not have to be more than a sentence or two unless it involves a complicated change. The tricky part is when there are changes or errors that occurred before FY 2015, and what States will do at the end of FY 2014 for all the open grant years, is to use the fourth quarter reports for the final (for the end) of FY 2014 for each of those open grant years that will have cumulative expenditures to date. If there is an error in any one of those grant years, States would go back to that report and change the cumulative amount. ACF is not going to do anything separate by fiscal year there. And so, that ACF 196, which will still have the old categories, will only be used for changing expenditures due to an error or omission of some sort.

CURRENT VS. PROPOSED ACCOUNTING METHOD

Mr. Germanis then showed a slide that compared the current approach to fixing things. The top row of numbers on the side were fixed (a change for an error that occurred in the first quarter of FY 2015 was fixed in the fourth quarter of FY 2017), but under the proposed method, there is an error in the first quarter of FY 2015. States are going to go back to the fourth quarter report of FY 2015 and fix it there because the error occurred in FY 2015. And all of the corrections will happen with the fourth quarter report, of whichever fiscal year is involved. That does not change the cumulative expenditure, that stays the same, which is important for monitoring the grants. But now they would have the actual expenditures by fiscal year as they really occurred. One drawback to this approach is that if States make changes, or finds changes they need to make from several years ago; it will take a longer period of time to get final numbers. ACF is hoping there are not many changes that go back more than a year, but they will find out once this is implemented.

ACF-196R VS. ACF-196

To summarize, there are still two forms, the ACF-196R and the ACF-196. On the ACF-196R, States will report expenditures by fiscal year. If there are adjustments or corrections that occurred prior to 2015, States would make those on the ACF-196. If there are expenditure changes after or beginning with FY 2015 on, States would make them to the ACF-196R.

CUMULATIVE GRANT YEAR REPORTS

Mr. Germanis then discussed that States will be reporting by fiscal year, but what they really need to monitor the grant, especially for administrative monitoring of the 15 percent administrative cap, the 30 percent transfer cap, or just to know how much money is left, is a cumulative grant year report. As part of these reports, when States complete a report by fiscal year (the end of each year) they will also generate cumulative grant year reports. So for grant year 2015, if a State spent money in FYs 2015, 2016, and 2017, the system will automatically generate a cumulative grant year report. This is the same data States would have had before as they were filing on the cumulative basis, but in this case the cumulative grant year reports will be automatically generated.

CUMULATIVE FISCAL YEAR REPORTS

For fiscal year reports, they will now have; for example, in FY 2017 money they may have expenditures with grant years 2015, 2016 and 2017 funds. Again, the system will then automatically add up all the separate tables to generate a FY 2017 total.

GRAPHIC ILLUSTRATION: FIRST YEAR

ACF wants cumulative grant year report expenditures and total real expenditures. Suppose the State has spent all its money by the end of FY 2014, so in grant year 2015 it gets its block grant. It only has one sheet to fill out and that one sheet represents the real spending that year. It also represents the cumulative grant year spending.

GRAPHIC ILLUSTRATION: SECOND YEAR

Mr. Germanis then discussed that suppose this year the State did not spend all of its grant funds and spent some of them in 2016. The State also got a new grant for 2016, so it is spending in FY 16. In this case, this State would have three sheets that it could fill in. It could have the grant year 2015 funds spent in '16, grant year '16 spent in '16, and if it has any corrections or adjustments to the prior year, it would have those in '15. Again, they add up these sheets to get the real expenditures by fiscal year. They could also add them up to get cumulative grant year reports so they can do the monitoring of the grants and see how much money is left, what the limits are in relation to transfers and admin costs.

GRAPHIC ILLUSTRATION: THIRD YEAR

Going into the third year, there would be six sheets and they can again be summed to give States the fiscal and grant year totals. The way to keep this simple is not to keep funds from old grant years, but try to close them and if that is the case, States will not be dealing with that many sheets.

BENEFITS AND EFFICIENCIES OF NEW ACCOUNTING METHOD

Mr. Germanis said that in this way, ACF is finally going to get actual expenditures for a given fiscal year, which is important not just for Congress and other policy makers, but also to do the excess MOE calculations for the Caseload Reduction Credit or if there is an Emergency Fund ACF would have the real spending in place to do the calculations needed.

QUESTIONS FROM PARTICIPANTS

A question from a Webinar participant was: *"Is the narrative included in the ACF-204 sufficient? What is the rationale for including it on the ACF-196 as well?"*

Mr. Germanis said that the ACF-204 is an MOE report and some of the things may only be funded with Federal dollars. If it is something that is on the ACF-204, it can be cut and paste or it may be longer on the ACF-204 than what is needed on the ACF-196. So, States can make whatever adjustments needed.

Ms. Sciannameo said that ACF is only requesting narratives in relation to expenditures reported under “Other” and the “Authorized Solely Under Prior Law” categories. Those are the only instances where ACF requires narrative.

Mr. Germanis responded that, in fact, ACF is hoping that there will not be any expenditures under the “Other.” If States cannot find a place to categorize something, he suggested States call the Regional office and the Regional Office can work with States if States describe the nature of the expenditure. It may well fit into one of the other categories.

Lastly, Ms. Sciannameo said that the “Authorized Solely Under Prior Law” category cannot use MOE. It is only Federal for right now, and ACF does not capture the descriptions related to those.

The next question from a participant was, *"Could you please comment on the fact that combining assistance and non-assistance expenditures is not consistent with how excess MOE is currently calculated for purposes of Caseload Reduction Credit as the additional credit is based on assistance expenditures."*

Mr. Germanis responded that it is a mathematically equivalent approach that does not require knowing the difference between assistance and non-assistance. It is the method that Delaware originally used where one calculates a cost per case based on total spending. But ACF may have to make some changes to the regulations or the reporting forms to do that. In the meantime, States also do not use the ACF-196 for the Caseload Reduction Credit. States, in effect, report that information separately from their own accounting systems. But now, with this new form, States can use it to verify that the calculations produce the same results and monitor on a real-time basis if there are any changes to MOE or not, because on the credit, once a State requests the excess MOE credit, it should not be changing MOE. So, for States’ purposes, States have a new monitoring tool. The current credit form asks for a breakdown of those two. ACF will look into seeing if they can eliminate it altogether. But in the meantime, States do report separate numbers anyway.

Another question from a participant was, *"Just to clarify, all changes prior to 2015 should be made on the fourth quarter report for FY 2014?"*

Mr. Germanis responded yes. It might be a grant year 2012, for example. If a State is spending all the way through FY 2014, the State would have a cumulative grant year 2012 spending for the quarter ending 9/30/2014. So the State would make changes to that final number. ACF has those final reports available for States to make changes to. And then any subsequent changes would be made to that report that States just changed. But yes, the only changes will be used for the 196.

Another participant asked *"Will additional supporting documentation be required when the ACF-196R is submitted on OLDC? Summary worksheets showing the breakout between years?"*

Ms. Golonka said that is a question OFA will hold on to. They will be working with the programmers as they develop this for the OLDC system.

Mr. Germanis responded that if a State makes a change to the ACF-196 or a prior year, it will affect the amount of carryover funds. So, one advantage of trying to build these as interactive sheets is, say a State has a correction for FY 2017, and they go back to correct FY 2015 and find a Federal expenditure they have not claimed. That would reduce the amount of the unobligated balance that year. It would then reduce the amount of carryover into FY 2016. That would reduce the unobligated balance in FY 2016 and the carryover into FY 2017. So, one of the things about changing these prior year sheets is they do have interactive effects with some of the other sheets and the programs, OFA is hoping, will be able to take into account all of those things.

Ms. Sciannameo discussed that have an estimated burden. They estimate that implementing the ACF-196R will result in an average quarterly burden of 14 hours per response, or 56 hours annually. It is important to keep in mind, though, that the burden associated with the ACF-196 will be significantly reduced from 32 hours annually to an estimated 2 hours annually because States will only be using the ACF-196 to adjust or correct an error that occurred prior to FY 2015. And as Peter mentioned, the fewer grant years open, the lower the burden as there are less forms to maintain and, closing out grant years prior to FY 2015 will eliminate the need for an ACF-196 altogether, so they will not need to maintain any of the ACF-196 forms and will only be working with the ACF-196R.

Another participant asked, "*If you receive a refund, do you record to the prior year and re-state the prior grant?*"

Mr. Germanis said that if there is some sort of a correction, for example, some sort of contract, a void amount was too high and money came back, one would presumably go back to the period where it was overpaid and correct it at that point, in the fourth quarter of the fiscal year, whenever the overpayment was made.

Another question from a participant was, "*I don't understand the explanation that says we would be submitting six reports if three grant years are open at the same time? I only see that three reports would be submitted.*"

Mr. Germanis discussed that in the example with grant year, beginning at the grant year '15 going through '17, one might have three fiscal year reports for grant year '15: '15, '16, and '17. States would have two fiscal year reports for grant year '16: '16 and '17, and one for grant year '17, which is FY '17. So there would be three separate fiscal year sheets for those three grant awards.

So, if someone going into FY '25 still has money left in '15, '16, '17, '18, there may be a lot of sheets that are possibly available either for adjustments, corrections, or for spending. Many of them may not change at all. But obviously, the more grant years that are open, the more fiscal year sheets there will be to deal with.

Another question from a participant was, "*Will there be changes to Tribal reporting on the ACF-196T?*"

Mr. Germanis and Ms. Golonka responded that no, this does not affect the ACF-196TR.

Another question included, *"Assume this is implemented for grant year 2015. Will you not require prior fiscal year breakouts?"*

If referring to a grant year 2015 award, then that is the first year of the new system so one would only be going forward. But say the question is referring to a grant year, say, '13, and funds are still left, then no, ACF does not require any fiscal year breakouts for anything before FY 2015. The only changes before FY 2015, regardless of which grant year it is, would be adjustments or corrections to prior year spending. But it would not be by fiscal year.

Another question was, *"...regarding the child care switch, and if the two groups are put together so non-assistance and assistance, are they going over to assistance or non-assistance? Because if they go over to assistance, we have to start tracking the kids differently and including them in our system differently."*

Mr. Germanis said that there is nothing that changes in terms of whether those expenditures are assistance or non-assistance. ACF is just not asking for States to report them that way on the ACF-196. But for example, if the parent is not employed and is getting child care, then it would continue to be assistance and the assistance rules apply. Similarly, if the parent is employed then it would be non-assistance. Whatever rules apply in those situations, continue to apply, but for purposes of reporting on the ACF-196R States do not have to do it separately anymore. But at the State level, States need to know which of the people are on assistance and which are non-assistance.

GOING FORWARD

On the Part 2 Technical Webinar, Mr. Germanis and Ms. Sciannameo built upon the Overview Webinar and showed participants the functionality of how the ACF-196R form works in Excel. The Excel files showed how the new form can work - the interaction across years in various reports and the functionality as the presenters went over three examples (simple, intermediate, and advanced).

ILLUSTRATION WITH EXCEL: INTERACTION BETWEEN THE ACF-196R AND ACF-196

First, the ACF-196 form was displayed for a hypothetical State called "Petopia." The presenters displayed the grant year '15 and put in some numbers, mainly for illustration purposes, to look a lot like the current ACF-196. The State had a block grant of $90,000, shown in the amount awarded. The State spent $33,000 in MOE, shown at the bottom, and it received a contingency fund award of $10,000.

Mr. Germanis then recapped and discussed a bit about terminology. During the presentation the presenters referred to grant years and fiscal years. The grant year refers to the year of the block grant award. On the current ACF-196, there is no cell for grant year, as there is on the new form. And in fact, the cells that it has for fiscal year actually means to identify the Federal fiscal year the funds were awarded. So, ACF is changing that definition so that basically that is what grant year will be and fiscal year will refer to the year the money was actually spent. For MOE and contingency fund purposes, this can only be in the first year. So, when the grant year is the same as the fiscal year, one can see MOE spending, contingency fund spending, and block grant spending. In subsequent years, if there are carryover funds, the grant year and fiscal year will be different.

Mr. Germanis and Ms. Sciannameo went over three different scenarios using Excel. First, a simple one, in which the State has no carryover funds going into 2015. The State had grant year '15 funds, and in that year the State expended FY '15 funds. So for States that typically have no carryover (about a half-dozen

States), there is just one form to fill out. And from that form, in the simple Excel example, there is a cumulative fiscal year report and a cumulative grant year report based on data entries. For most of the examples, the dollar amounts were unimportant, but a couple of times Ms. Sciannameo and Mr. Germanis used the Excel files to show the functionality of the new form.

Currently in the ACF-196, some of the cells are shaded in grey and that means that those are not applicable. On this new form, States have two shades of grey. Dark grey is, again, cells that are not applicable. So, for MOE, that would be – there is no award amount, there are no transfers, there is no adjustment award. States cannot spend MOE in “Activities Authorized Under Prior Law.” For things like the contingency fund, there cannot be any transfers, there is no adjusted award. So, again, that is shaded in dark grey. Mr. Germanis also showed that there is a column for the Emergency Contingency Fund. This would only apply for States that still have funds from the Emergency Fund, column “E,” and one would only fill it in when the grant year is 2009 or 2010. Since the example was regarding grant year 2015, the entire column was not applicable. And in general, Mr. Germanis mentioned to ignore that column for the purposes of the webinar. The cells that were shaded in light grey are those that are pre-populated that ACF either provides or calculates, so the amount awarded, in this Excel example the $90,000, is something ACF would provide or input on the form. The adjusted award, though, is something that is calculated based on the data that are inputted for the amounts transferred to CCDF and SSBG. So, the light grey cells are either provided or calculated. One other thing about the shading Mr. Germanis mentioned was, in some cases the color of the shading may depend on the year. For example, on the Excel example carryover is dark grey because obviously in the first year of a grant award a State cannot have any carryover funds from that grant. When going through the intermediate and advanced examples, participants were shown that those are shaded in grey and are calculated amounts based on the previous year’s unobligated amounts and unliquidated obligations.

196, 196R: EXCEL EXAMPLE #1

On the simple example, there is only one sheet to fill in, the grant year ‘15 FY ‘15 sheet.

Mr. Germanis started with the block entries at the top that were mostly unchanged from the previous form except grant year is a new cell so that, again, is the year for which a particular award was made. For MOE and contingency fund purposes that would refer to the situation in which the grant year and the fiscal year are the same. The fiscal year cell has a different meaning. It refers to the year in which the funds were actually spent. The report quarter ending is essentially the same as what is on the report now. It is called current quarter ended. ACF thought that was a little confusing, so they just changed the name. It refers to the quarter of the expenditures. The very first quarter would be December 31st of 2014 in the Excel example. The second report would be March 31st; the third would be June 30th, and the fourth is the September 30th because that sums everything for the fiscal year. But within each fiscal year, the reporting is the same; it is cumulative until the end of the year. The next quarter ending cell, again, is the same and ACF used that because at the bottom of the form, States fill out how much States are requesting for the next quarter. And finally, the final -- these cells were all light grey because OFA would provide them when States enter the data -- the last cell is where States would check “new,” “revised,” or “final,” as States do now. The columns in the 196 are exactly the same as the current ones. The lines are a little bit different based on the new categories described. Some of the categories -- lines are shaded in light grey because those are calculated. For example, a State in “Basic Assistance” -- because they are now asking for two sub-categories -- would only fill in the sub-category amount. In this example, basic assistance excluding relative foster care and basic assistance for relative foster care maintenance payments. And then the sheet would automatically add those to give States the total for Basic Assistance.

In an example at the bottom, the State had an unobligated balance, so that is why in the upper right-hand corner a State would just check "new" and not "final" because in the intermediate example, States see how that carryover plays in but if they had zeroed it out, then this would have been a "new" and "final" sheet. That is how a State would fill in the basic ACF-196R.

Mr. Germanis went over the two reports that ACF automatically calculates for States as well. In the simple example, the box in white is the only sheet the State would fill out. The other two sheets shaded in light grey are sheets that ACF calculates and in more complicated examples, Webinar participants will see their relevance because they add several sheets together. In the simple case, there were no sheets to add but there were some differences in what the forms do. The cumulative grant year report is what the cumulative grant year report is. It looks the same as the ACF-196R, but it is entirely shaded in either light grey or dark grey. Again, that means -- especially the light grey -- those are numbers that have already been calculated by adding up different sheets or in the example, taking the very first sheet. It basically reflects what States now get on the latest ACF-196, which are the cumulative expenditures. So this report would be updated every quarter and every year that States continue to update data, and use this sheet to monitor the expenditures -- how much is lost, transfer limits, etc. In the very top general block entry, participants saw that the grant year is light grey and fiscal year is dark grey. When both cells are different -- those two cells are a different color that typically indicates that it is either a grant year report or a fiscal year -- a cumulative grant year report or a cumulative fiscal year report. In this case, it was a cumulative grant year report. And it will be for the period ending September 30th, 2015, at the end of the year.

Next, Mr. Germanis showed a few things regarding the functionality of the report. The numbers are the same as on the first report, but it also has some warning signals in case there are some data entry errors. Going back to the original "R" form, suppose the State erroneously enters in the CCDF transfer $30,000 as opposed to the $500. By looking at it, participants could see that it exceeds the 30 percent limit on transfers. So while one could enter it there, when getting to the cumulative grant year sheet, a transfer limit warning pops up. There is something similar for administrative expenses. So, if one enters $15,000 that will exceed the 15 percent limit on administrative expenses and an admin cap warning pops up. In the simple example, it is pretty obvious. But if one has several different fiscal years that are open, the advantage of the sheet is by providing a cumulative total, one can monitor these limits. It would also tell someone if there was a data entry error that was, in some cases sufficiently large, to exceed the total amount of the award. In this case, in "Basic Assistance," instead of $5,000, suppose the State enters $65,000. On the cumulative grant year report, this would show that it exceeds the award amount. So, this is basically the same data that one now gets with the final 196 but this will be an interactive report when there are a number of different fiscal years.

The second sheet that is calculated is a cumulative fiscal year report and this, again, like the cumulative grant year report, adds up all the open fiscal years for all the different grant years for a given fiscal year. And States would get a total. In this example, it was fairly simple because there was only one sheet. But, again, there is no data entry on the part of the State. It is all shaded in light grey, so it is something that is automatically calculated. This sheet will show the expenditures for all grant years within a fiscal year, so -- within the fiscal year itself, if there are any expenditures that are authorized under prior law or involve some sort of estimation, this is where the Part 2 of the report would come in. It would be an adjunct to this report. And again, the Part 2 – it is not really anything different than what States have now. It just switches these requirements from being addendums to being in a Part 2. And as with the ACF-196 Supp., when a State fills that out, if the State has any narrative discussion, these cells would expand as the State types in the descriptions.

A question from participant on the simple example was, *"In your warnings that you have indicated for the administration, is that just on the end of the year report? Because you could, in theory, spend more admin one quarter than is allowed."*

Mr. Germanis responded that the admin limit for column A, which is the Federal block grant amounts, is based on the award amount. So, a State should not be able to spend more than that. But, that is a good point. On MOE, for example, it is based on the total expenditures, and so if a State's admin expenditures are somehow front-loaded in the first few quarters and then one adds other expenditures at the end; the admin cap warning may come on. This is more intended to be a helpful tool. It will not prohibit one from entering that data. But, one would be able to see that there might be an issue or perhaps some of the regional program managers may call discuss it.

Another question from a participant was, *"If, in the original sheet, you enter any amount, the administrative cap does not come on. It is just when you look at the cumulative report that shows that it has exceeded the admin cap, is that correct?"*

Mr. Germanis responded yes. He was not sure how the data entry works when putting something in the OLDC system. But here, States would have access, obviously, to all the sheets that States put in individually. And these cumulative sheets are sheets States will have as well.

Another question was, *"Did I hear you say that that report is still going to be cumulative or are we just entering the data for one quarter each time, just for that quarter?"*

Mr. Germanis discussed that on that report, States would be entering the cumulative amount just as States do now, each quarter through the end of the fiscal year. In this simple example, the presenters only got to the end of FY '15, so nothing really changed. It is when States have carryover funds that it becomes a little bit different and that is what he and Ms. Sciannameo will show in the next example.

Ms. Sciannameo discussed that Webinar participants should have all received these files; the files were emailed before the Webinar, so hopefully States will play around with the numbers and really see how the different sheets interact with each other.

Another question was*, "Will States have to request that funds carry forward?"*

Mr. Germanis was not aware that States ever had to ask for carryover funds. He thought that when States filled out the report there would be unobligated balances and unliquidated obligations, and effectively that is the same as the carryover funds. Because ACF put a new row, or a new line, in showing carryover funds, that might suggest that. But, no, that will be something that is automatically calculated.

Another question was *"With these new forms, are we no longer submitting reports through OLDC?"*

This Webinar presentation was to develop the conceptual approach to reporting ad provide Excel files that show how it works. After ACF gets the comments, ACF will make appropriate changes to the forms and the instructions. And States would continue to submit them through OLDC, but there is another office that would develop the system and the programming for that. So, there will be some place for States to access the reports and enter the date, but at this point, ACF does not know where that would be.

196, 196R: EXCEL EXAMPLE #2

Mr. Germanis then discussed the intermediate scenario, which showed a little bit more of the interactivity of the forms. In this example, the State did not expend all of its grant year 2015 funds and some would be carried over into 2016. The State would also get a new grant year award for 2016. So, in this type of situation, there may be up to three sheets to fill out. The sheet in the top left hand corner, grant year '15 spent in '15, was only if a State had corrections to data submitted regarding funds spent in 2015. Then the next two sheets in the second row, grant year '15 spent in '16, reflected carryover funds and how States spent those, and grant year '16 would show how to spend those funds in FY '16. In this case, the two cumulative grant year reports would again be automatically calculated. And the grant year 2015 cumulative report would add up the two sheets. So the far left column would take the first two rows, add those two sheets, which are provided by the States, and produce the cumulative grant year report. There would be one for 2016, although again that is just the one sheet. And then, if there were corrections to grant year '15 FY '15 spending, they would generate a new FY '15 cumulative report and then again generate a cumulative fiscal year report for 2016. And that is where the interaction becomes more apparent. It shows the 2015 block grant fund spent in 2016 and to that one would add the block grant MOE and contingency funds that were provided in '16 and spent in '16.

Mr. Germanis then discussed that the first report is what one would do with grant year '15 funds spent in FY '16. The report reflects that based on the two cells in the general block entries. And again, each quarter one would submit cumulative expenditures of the grant year '15 funds spent in '16, so starting from zero for the money spent in FY '16. This form looks a lot different than the previous form. Because MOE can only be spent in a given year, one would not have it on the grant year '15, fiscal '16 sheet. Contingency funds could only be spent in the year of the award. So, one now has all the columns in dark grey, except for column A, which is the block grant fund. Another change to column A was that the award amount is not shown because States are not given an award for grant year '15 in FY '16. States cannot transfer funds, so there is no adjusted award and this is where the carryover shows up. The $57,500. That is derived from the grant year '15 FY '15 sheet.

Next, Mr. Germanis discussed that the sum of the $56,500 unobligated balance and then $1,000 unliquidated obligations is the $57,500 that is the carryover sheet. So, this is the grant year '15, FY '16 sheet but if one made a mistake or something was submitted late and the State had to make a change to grant year '15 FY '15, normally, on the 196 report, that change would occur in fiscal year in the current quarter, but under the new proposed approach, ACF is asking States to go back to the period in which the mistake occurred and in the example, it was FY '15. And so States would go to the top of the grant year '15, FY '15, September 30th report and click "revised" because States would be changing the report that States had submitted the previous year.

Mr. Germanis discussed a few examples. If there was an error in "systems," the unobligated balance will change automatically and that in turn will affect the carryover in the next sheet. So, in changing "systems" from $500 to $5,000 it changes the unobligated balance, and when one goes to the grant year '15, fiscal '16 sheet that, the carryover before was $57,500. It then automatically changed to $53,000, so one would be able to see how much is actually left. One of the things ACF is asking for, at least initially, is when there are corrections to a prior fiscal year, that States submit an addendum describing the nature of the change. It does not have to be anything elaborate, but a couple of sentences -- unless it requires more, explaining why the change was made. That will at least give ACF a better sense of whether there is some systemic issue or it is just late reporting and how often there are changes. One of the problems with the current reporting is that if it involves column A, ACF has no idea what year the correction is for, how many such corrections there are unless the numbers are completely anomalous or, in many cases negative numbers, which one normally would not expect. But even on things like Basic Assistance, ACF sometimes notices fairly large anomalies from year to year. For example, when the average amount paid for Basic Assistance changes by over $50, that could be due to a policy change but it is typically because of some adjustment or correction to a prior period. This way, ACF will able to see which year was affected, how much, and why.

For grant year ‘15 there were two sheets going -- grant year ‘15 and ‘15, grant year ‘15 and ‘16, so for the cumulative grant year report which will automatically be calculated for grant year 2015, all the numbers were in light grey. It showed the original award amount, the amount that was transferred, and the adjusted award. It did not show a carryover, but there will be an unobligated, unliquidated balance at the bottom until States have spent everything. If one sees the transfer limit, the administrative cap, one would see that there is a warning. So, there would be one other sheet now for States to fill out, and that would be grant year ‘16 spent in fiscal ‘16. So the third sheet for FY ‘16 is where States would be filling some numbers in. And again, that looks like the earlier grant year ‘15 FY ‘15 sheet. States can fill in numbers from all the categories. States see the original block grant amount is there. So this is exactly what States had before. And in this Excel example, the State also has a cumulative fiscal year report, and this time adding one fiscal year, or two grant years. For FY ‘16, one would be adding the grant year ‘15 FY ‘16 spending, grant year '16 FY ‘16 spending and again, one would be updating the cumulative FY report for 2015. There is no data entry on the part of States. All the data provided are either calculated or ACF put it in. And again, these fiscal year reports are used for Part 2, Mr. Germanis finalized, about the intermediate example adding one other year.

A question from participant was, *"...because we're locally administered and because of the size of our program, we are never going to be able to get all the information for our fiscal year spending within the grant year. So, for just for explanations, would late reporting be a sufficient explanation as our expenditures come in from our local districts and even our administrative expenditures -- you know, our State administrators -- State administrative expenditures are not calculated within 45 days after the end of the year. So, we're going to have a lot of expenditures so I'm just worried about the type of explanation you're going to need but not really corrections, they're just late reporting."*

Mr. Germanis said that would be sufficient to indicate late reporting. Also, if the State submitted an explanation like that, he suggested the State indicate how late the reporting is because that might help inform future policy choices about data reporting timeframes.

Another question included, *"I'm trying to understand the difference between the corrections and adjustments. Or -- I just want to make sure we understand the difference between current year spending and corrections to prior fiscal year spending."*

Mr. Germanis said ACF use terms like “enters,” “adjustments,” “corrections,” “omissions” -- it basically all means the same thing. If the presenters had to pick one word; it would be “revisions.”

Another question from a participant was, *"I'm kind of piggy-backing a little bit on the question New York asked. Would we have corrections or adjustments to a prior year if it's from multiple quarters? Is this report cumulative or do we have to submit a separate report for each quarter that there are corrections or adjustments in?"*

Mr. Germanis responded that once the fiscal year is over, they might just remove the first three quarters because -- well even quarter by quarter they might remove the previous quarter -- because it is not really relevant. ACF just asks that States go back to the fiscal year in which the revision is needed. It does not matter what quarter it was in. And if it is in the same fiscal year -- for example, if it is fiscal '16 and one had a revision because of something in the first quarter that the State is making in the third quarter, then one would just change it – the State does not even have to explain that it is a revision. It is only if one goes back to a previous fiscal year. And then it would be the year, not any particular quarter.

Another questions included, *"Regarding the adjustments to the fiscal year, we have excess MOE every year and we spend all of our money. The question becomes, if -- say we decide -- found out that, you know, an expenditure needed to be changed but we have $150 Million in excess MOE, do we need to go back in and make that adjustment or -- or not? What do you recommend? Say an adjustment just to a -- a sub-recipient, you know, we reported $40,000 but we could have reported, say, $100,000. But since we have $100-some-thousand or, you know, $150, you know, million excess MOE, do we need to go back in there and make that adjustment for, say, the $50,000 that we didn't claim?*"

Mr. Germanis said that only if the State wants to claim it. Just as under current practice, there may be things that could be counted as MOE that the State chooses for whatever reason not to count. So, that same choice would continue. But if the State decided they wanted to count it as MOE for some other reason, it typically would not apply to the Caseload Reduction Credit anymore because there is a deadline for that. The State could make the adjustment at that time and then would count more MOE. It is only if the State wants to.

Another question was, *"In OLDC, will we still report cumulative expenditures every quarter, correct?"*

Mr. Germanis mentioned that, in the intermediate example, they showed grant year '15 spent in FY '15 and FY '16. States would report cumulative expenditures each quarter through the end of FY '15 then with the carryover money, beginning in FY '16, States would start from zero and again, report cumulative expenditures for that year. And then the cumulative grant year report would simply sum those two and a cumulative grant year report basically would reflect what States now report on the latest ACF-196 the State submitted to date.

The next question was, *"Will States be able to view both the cumulative grant year and fiscal reports for all the years open?"*

Mr. Germanis responded that yes, ACF publishes the fiscal year data. Right now the reason ACF is changing the report is because the method they use is an approximation and it does not really properly account for the revisions from prior fiscal years. But for each State on the ACF web site, there are tables showing the expenditures in detail now and ACF will continue to show that with this new report. States should have access to both -- for each open grant year certainly, the cumulative fiscal and the cumulative grant year report.

The next question was, "*Will these changes occur at the beginning of a Federal fiscal year?"*

Mr. Germanis mentioned that ACF anticipates that this would start in FY 2015.

The next question was, *"In the second grant year report, line 27 is zeroed out as 26 shows obligations. Will the report continue to generate until line 26 is zero? And that question refers to the unliquidated obligations and unobligated balance."*

Mr. Germanis responded that yes, as long as there is a number in either of the unliquidated obligations or unobligated balance, there would be a carryover, an amount. So, until those are both zero, there would be continued reports. States have to zero them out to make a final report.

The next one included, *"Why is the 2015 cumulative grant year report in this example showing the same amount as the 2015 spent in 2016? Should cumulative be a combination of the two years?"*

Mr. Germanis said the cumulative grant year should show the sum of the expenditures in each of the fiscal years. In looking at the formula bar, it is adding the two forms. Grant year '15 spent in '16 and grant year '15 spent in '16. It is adding the two fiscal years that grant year '15 funds were spent in. They show $5,500 in "Basic Assistance" spending on grant year '15 FY '15 sheet and $4,000 on the grant year '15 FY '16 sheet so that should sum to $9,500. There may be a little bit of confusion with the other column; it's only pulling from one sheet. The key in terms of looking at this report, because the MOE and the contingency fund can only come from the first year, those numbers stay the same, regardless of how many fiscal years in the future they go.

The next question was, "*Will a report have to be filed for a previous year even if you have no change? Or are you only required to file a prior year report when you have a revision?*"

Ms. Sciannameo said that one would have access to the prior year report and would only go into it in order to revise an expenditure and then hit that button in the top right indicating that one is revising it.

The last question on the intermediate example included, "*Will access to the cumulative reports be within OLDC or in -- or on the web site?*"

Presumably the reports would be in something that States all have access to, and it might be the OLDC. This is an area where, ACF welcomes States comments on what States would find the easiest because the people who are going to program this into OLDC have not done it yet. There is still some flexibility.

196, 196R: EXCEL EXAMPLE #3

Lastly, Mr. Germanis and Ms. Sciannameo went through an advanced Excel example, which was essentially what was shown in the intermediate example, but they also showed what happens when one has some unspent funds from years prior to 2015. In the example, the presenters looked at grant year 2014 to show issues with how the treatment of earlier categories relate to the new ACF-196R.

Ms. Sciannameo discussed a brand new State in the example, no longer working with "Petopia," and this State had some grant year 2014 funds left over, and the boxes in white are the forms that a State has to work with. ACF will be able to provide States with a cumulative report of the grant year 2014 expenditures through FY 2014. States will have access to that, and States report those expenditures on the 196, then beginning in 2015 when these changes go into effect States will be working with the 196R to report grant year '14 expenditures spent in 2015 and grant year '14 expenditures spent in FY 2016. From that, States will able to generate a grant year 2014 cumulative report and continue to generate the other cumulative fiscal year and grant year reports that Mr. Germanis discussed, but for this part of the presentation Ms. Sciannameo focused on how grant year 2014 would be reported.

In order to report any grant year expenditures made in FYs 2015 and beyond, States will be using the 196R and in the example the presenters showed the grant year 2014 spent in 2016 report. In future years only column A applied because States only reported carryover expenditures from the previous grant year. Ms. Sciannameo discussed that the two exceptions for this are going to be 2009 and grant year 2010. States will have column E available to them because those apply in all fiscal years. Those funds are available until expended. So, this State, "Susaland," has their 2014 grant still open and the State expended the 2014 grant over three fiscal years, FY 2014, FY 2015, and FY 2016. Because this was FY 2016 is the final fiscal year that the State expended its grant year 2014 funds and this State marked the report as "final." And it is final also because of unobligated -- unliquidated obligations and unobligated balance is zero. So it closed out the grant in this year. Looking at grant year 2014 funds spent through FY 2014, one can see that ACF generates this for States. They have access to this and this will be used in order to adjust or correct or revise any grant year expenditures made prior to 2015, or that grant year's expenditures cumulative through 2014.

States would also use this if they revise MOE or contingency fund awards.

And in this case Webinar participants saw grant year 2014 funds spent in FY 2014. "Susaland" does not have any older grant years open, but if it did one would see, for example, grant year 2013 funds spent through FY 2014 on ACF-196. Ms. Sciannameo mentioned that ACF is not breaking those down by prior fiscal years. Again, this is cumulative through 2014. The general block entries here are pre-populated. Again, grant year 2014, the fiscal year is cumulative through 2014 and the next two do not apply. And again, as she said, because the report is only used for adjustments and corrections to expenditures cumulative through 2014 it can only really be revised. It could also be revised and final if any revisions that States make close out the grant as of a date prior to 2015.

Finally, presenters showed the cumulative grant year report for grant year 2014. This is for all pre-2015 cumulative grant year reports. These are different because they have to account for expenditures from both the ACF-196 through FY 2014 and the ACF-196R beginning in FY 2015. And this is to allow for complete grants monitoring. This cumulative grant year report for grant year 2014 has three sheets for the three fiscal years in which this State reported expending its grant year 2014 funds. Cumulative as of September 30, 2016, and one can see, again, because all the funds from this grant year have been expended there is an unobligated unliquidated balance of zero dollars. It has been closed out as of FY 2016. Looking at the expenditure category, one sees that the whole list will reflect categories from both the ACF-196 and the ACF-196R. Categories that existed exist on both forms will pull from each. For example, subsidized employment will pull from line 6a1 on the 196 for FY 2014 and that line is labeled "Work Subsidies." And Line 9a on the 196R for FYs 2015 and 2016. "Administrative Cost" is another example that will pull from Line 6j on the 196 for FY 2014 and Line 22a of the 196R is for FYs '15 and '16. New categories that do not exist on the ACF-196 only pull from the ACF-196R reports for years beginning in FY 2016. Some examples of the "Basic Assistance" sub-categories: "Solely Under Prior Law" sub-category, "Child Care," "Transportation" with assistance and non-assistance is combined, "Pre-K", "Home Visiting", the "Child Welfare" categories. All those new categories were explained before. Finally, one has to account for the categories -- the expenditures reporting in categories that were discontinued beginning in 2015, and those will only pull from the ACF-196 for grant year expenditures cumulative through 2014. So, child care assistance only, child care non-assistance only, all move to expenditure categories that one sees with an "x" have been discontinued. And in order to simplify reporting and avoid dealing with these more complicated sheets, ACF encourages States to spend the older funds prior to grant year 2015.

When looking at some lines in the Excel example, it was noted that some of those reflect expenditures from three years; that is, where the expenditure categories are exactly the same. Some of them reflect, on the upper half, expenditures from two fiscal years, where the category is a new category. And then the expenditures at the very bottom under the line are only from things, in this case, from one fiscal year. These are the categories that ended, so these would only show for the one fiscal year. Now, if it were a grant year 2012 report, there would be three fiscal years, but these are never broken out. For anything that is before 2015, States are just going to report the cumulative amount. So these will always reflect the numbers as they were reported on the final report and then if there were any corrections to them.

Ms. Sciannameo discussed that the rest of the sheets include grant year 2014 expenditures made in those fiscal years. And all these Excel files are available to States so States can play around with them. The advanced example was the most complicated example because it dealt with an early grant year.

The last question was, "*Will you be able to provide a crosswalk of the categories for FY 2014 into FY 2015?*"

Mr. Germanis closed by discussing that in that case, one would just be trying to capture the cumulative amount spent. One would not be looking at fiscal year expenditures before 2015, so the only thing really needed is a cumulative grant year report. And within those reports, these are mainly for monitoring -- the 30 percent cap on transfers, the 15 percent limit on admin -- to show how much money States have left. So this is why the cumulative grant year report has more lines. The presenters did not present a complicated cross-walk because States do not really need one. And it is only with FY 2015 that the new categories and the cumulative fiscal year reports will start. And so from that point on, there is no crosswalk that is needed.