

Zoom Housekeeping Reminders

A few quick notes before we begin

- **Chat.** Please share your state/organization. Use for general comments and quick questions.
- **Q&A.** Use for detailed questions to the presenters.
- **Polls.** Will appear on your screen throughout the webinar.
- **Presentation Slides.** Will be available on the STAR PeerTA website once finalized.



Understanding the TANF Contingency Fund

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Presenters



Caroline Arias

TANF Program Support
Analyst



Peter Germanis

National TANF Expert



Lauren Frohlich

Associate Deputy Director,
Operations

Agenda



What is the TANF Contingency Fund?

Eligibility and Application

- New application process

Reporting Requirements and Retaining Funds

- Terms and conditions

Reconciliation Process Overview

Summary and Resources

The slide features several large, overlapping geometric shapes in teal, orange, and blue, primarily located in the top right and bottom left corners. The text is centered on the left side of the slide.

Poll Question #1:

How familiar are you with the
TANF Contingency Fund and its
process?

What is the TANF Contingency Fund?

Background

- Established in 1996 to provide supplemental grants intended for states in economic downturn
 - only the 50 states and D.C. are eligible, i.e., Tribes and territories are not eligible
- Codified at §403(b) of the Social Security Act ([42 U.S.C. §603\(b\)](#))
- Current funding level is **\$608 million per year**, fixed since fiscal year (FY) 2017
 - States may receive up to 20% of their annual State Family Assistance Grant (SFAG), prorated monthly (1/12th of 20%)

Appropriate Uses

- Follow standard federal TANF rules
- Funds may be spent on any allowable TANF purpose
- Funds cannot be transferred to the Child Care and Development Fund (CCDF) or Social Services Block Grant (SSBG)
- Funds must be spent in the year awarded

How does a state qualify for contingency funds?

“Needy State” Triggers



SNAP trigger

OR



Unemployment trigger

AND



Spends 100% of FY 1994 AFDC state spending

AND



Spends sufficient matching funds (excess MOE)



Once qualified, a state’s eligibility period lasts for the current month and the following month (a two-month window).



Federal payments are *provisional* monthly payments made on a first-come, first-served basis until the annual funding is exhausted.



Payments are subject to an annual reconciliation review to ensure states qualify as “needy” and meet and exceed their Maintenance-of-Effort (MOE) requirement.

Contingency Fund MOE vs. Basic MOE Requirements

1	2	3	4	5	6
State	FY 1994 AFDC State Expenditures for Determining Required MOE Levels (\$) (P.L. 104-193)	Tribal Allocation (\$)	GY 2026 100% Basic MOE Level (\$) (FY 1994 exps less Tribal)	AFDC-related State Child Care Expenditures (\$) (IV-A/TCC/AT RISK)	GY 2026 100% Contingency Fund MOE Level (\$) (FY 1994 exps less Tribal less CC)
Georgia	231,158,036	-	231,158,036	20,907,166	210,250,870
Nebraska	38,172,585	1,209,851	37,374,081	6,498,999	30,875,082
U.S. Total	13,905,732,912	208,852,512	13,734,675,355	722,033,114	13,012,642,241

In development at:

<https://acf.gov/ofa/programs/tanf/policy/contingencyfund>

Estimating Needy State Status

Unemployment Rate Trigger

Identify the seasonally-adjusted unemployment rate for the most recent 3-month period

Check if the average is at least 6.5% AND at least 110% of your state's rate for the same 3-month period in the previous 2 calendar years

- Corresponds with letter "B" on the [Needy State Trigger table](#)

SNAP Caseload Trigger

Identify SNAP caseload for the most recent 3-month period

Check if the average is greater than the USDA-determined monthly threshold

- Corresponds with letter "C" on the [Needy State Trigger table](#)

Note:

- The new application form asks you for the information needed to *estimate* needy state status
- ACF regularly updates needy state tables showing unemployment-based eligibility
- USDA determines SNAP trigger thresholds and status, but there is often a 90+ day data lag
- Monitor SNAP caseloads closely as they're declining rapidly
- When funds go unused and are not remitted in time, they cannot be redistributed to other states

Update

TANF Contingency Fund Application Effective FY 2027

- **Proposed new information collection.** Currently open for public comment in the [Federal Register](#) and under review by the Office of Management and Budget (OMB).
- **Submit electronically.** States will email the PDF application to ACF each month.
- **Monthly submissions required.** States must apply for every month for which they are seeking contingency funds.
- **Show that the state is likely to qualify.** Each application must demonstrate the state is *likely* to meet eligibility requirements.

For more details, see:

<https://acf.gov/ofa/programs/tanf/policy/contingencyfund>

New Application Process Effective FY 2027

TANF Contingency Fund Application (pending approval)

PDF Format	• To apply for contingency funds, states will complete and submit a fillable PDF.
Monthly Applications	• Submit your application <i>in the month before you need funds</i> • Example: Apply in November for December funds
Demonstrate Likely Eligibility	• Submit best estimates of your state's data each month to demonstrate the state is <i>likely</i> to meet "needy state" status • You don't need to submit corrections later—ACF will use official data to determine final eligibility
Transition	• Until the new form is approved (anticipated October 2026), states can continue using the current process. • Once the form is approved, there will be one transition month in which states may submit either the old or new form. • Subsequently, states will need to follow the new form and monthly application process.

TANF Contingency Fund Application

Preview

OMB #0970-0XXXX
Expiration Date: XX/XX/XXXX

TANF Contingency Fund Application

PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)
STATEMENT OF PUBLIC BURDEN

The purpose of this information collection is to gather state requests to receive federal Temporary Assistance for Needy Family (TANF) contingency funds. Public reporting burden for this collection of information is estimated to average 3 hours per response, per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. This is a mandatory collection of information in order for a state to receive TANF contingency funds (42 U.S.C. 1396a-2(a)(7)). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information subject to the requirements of the Paperwork Reduction Act of 1995, unless it displays a currently valid OMB control number. The OMB # is 0970-0XXXX and the expiration date is XX/XX/XXXX. If you have any comments on this collection of information, please contact the Office of Family Assistance by email at ofa@acf.hhs.gov.

The TANF Contingency Fund provides additional federal funds to states, at their request, when a state meets the conditions to qualify as a "needy state."¹ States must apply in the month before the month for which they are requesting contingency funds. For example, a state must apply between September 1, 2020 and September 30, 2020 to receive funds from the October 2020 Contingency Fund award. States can only request funds for one month at a time and must submit a new application for each subsequent month.

Instructions: States must use this form to request contingency funds for a month in a federal fiscal year. This form must be submitted during the prior month. Background information and relevant threshold references can be found at <https://oiaf.gsa.gov/programs/child-family-and-community-services/>.

Electronic Submission: States should submit their requests electronically to their TANF Grants Officer in the Office of Grants Management at ACT-OGM_TANF@hhs.gov with a copy to the Office of Family Assistance at TANF@acf.hhs.gov.

¹ A state must meet the definition of a "needy state" to apply for and receive Contingency Funds. There are two ways for a state to qualify as a needy state, one based on its unemployment rate and the other based on increases in its SNAP (formerly Food Stamps) caseload. See 42 U.S.C. 1396a-2.

OMB #0970-0XXXX
Expiration Date: XX/XX/XXXX

1. State and Fiscal Year to Which the Request Applies
State: Select State
Fiscal Year: Select Fiscal Year

2. Request for Payment
I request Contingency Fund payment for the following month in: Select Month

3. Needy State Trigger Information

Check the box for the trigger(s) your state meets. If your state meets both triggers, you may check both. For more information on the trigger thresholds, visit <https://oiaf.gsa.gov/programs/child-family-and-community-services/>.

☐ Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) Trigger Met

☐ Unemployment Trigger Met

Provide supporting information for the trigger(s) met, if applicable:

If you checked SNAP trigger met, enter the three most recent months of SNAP caseload data available, demonstrating that your state is likely to meet the trigger. Include the data period used and data source in the text box below.

Data Period (e.g. MM/YYYY)	SNAP Caseload

Describe the data source in the following text box:

If you checked unemployment trigger met, enter the three most recent months of unemployment rates available, indicating that your state is likely to meet the trigger. Include the data period used and data source in the text box below.

Data Period (e.g. MM/YYYY)	Unemployment Rate

Describe the data source in the following text box:

OMB #0970-0XXXX
Expiration Date: XX/XX/XXXX

4. Certification

By signing below, I certify that:

- The state will meet its 100 percent Contingency Fund Maintenance-of-Effort (MOE) spending requirement.¹ Enter the state's 100 percent Contingency Fund MOE spending requirement: \$
- State matching funds are available to spend in excess of our required Contingency Fund MOE spending level.
- State funds and contingency funds will be used only for allowable expenditures under the TANF program.
- I understand that the contingency funds are provisional payments. Accordingly, upon completion of the annual reconciliation process, the state will remit the amount (if any) determined as a result of this process.

5. Signature
Date of Submission:
Signature of Governor or Official Designate:

Submit form via email.

Reset form.

¹ The amount of MOE expenditures a state reports by December 31 will be the maximum amount ACT will consider for the annual reconciliation of the TANF Contingency Fund award per the [Supplemental Terms and Conditions](#). For Contingency Fund purposes, this amount excludes MOE expenditures in separate state programs and on child care assistance and non-assistance under the state TANF program.

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ADMINISTRATION FOR
CHILDREN & FAMILIES
Office of Family Assistance

Terms and Conditions Update

Effective FY 2026

- TANF Directors were notified March 25, 2026
- For annual Contingency Fund reconciliation, **ACF uses the fourth quarter report of the TANF Financial Report** (ACF-196R, quarter ending 9/30 for the FY in which funds were awarded).
- **MOE expenditures reported on the 9/30 report by December 31** is what ACF will use to calculate the final Contingency Fund **award**: increases after that date do not count and decreases after that date may reduce the award and could require repayment.

9/30

- TANF Financial Report (ACF-196R) - End of 4th quarter

11/14

- Standard deadline for 9/30 report

12/31

- Final deadline to submit or revise MOE expenditures for the preceding FY

Reference: [FY 2026 Supplemental Terms and Conditions for the TANF Contingency Fund](#), #9, pages 2-3

Retaining Funds

How to ensure you can keep awarded contingency funds:

Spend Sufficient MOE

- Monitor your MOE expenditures to ensure you meet the Contingency Fund MOE requirements using your ACF-196R TANF Financial Report.

Draw Down Funds Within 120 Days

- You must draw down awarded funds from the Payment Management System (PMS) by January 28.

Alert ACF If You Can't Use Funds

- If you won't spend your full award by the end of the fiscal year, notify ACF and remit funds immediately so we can redistribute funds to other eligible states.

Calculate Your Applicable MOE:

1. **Start with:** Total state MOE expenditures in TANF (Column B, Line 24)
2. **Subtract:** Child care expenditures funded with state MOE in TANF (Column B, Line 11a)
3. **Result:** MOE applied to your 100% Contingency Fund MOE requirement and the amount available for matching

ACF-196R Example

State	Grant Year 2025	Fiscal Year 2025	Report Quarter Ending 09/30/2025	Next Quarter Ending 03/31/2026	Report is Submitted as: ☐ New ☒ Revised ☐ Final
	(A) Federal Funds State Family Assistance Grant	(B) State Funds	(C) State Funds	(D) Federal Funds Contingency Funds Award Reconciliation FS at FMAP Rate of 0.7284	
1. Awarded	\$93,007,267.00			\$10,715,114.45	
2. Transferred to CCDF Discretionary	\$13,951,089.00				
3. Transferred to SSBG	\$6,975,543.00				
4. Adjusted Award	\$72,080,635.00				
5. Carryover	\$0.00				
Expenditure Categories	Federal TANF Expenditures	State MOE Expenditures in TANF	MOE Expenditures Separate State Programs	Expenditures with Contingency Funds	
11. Early Care and Education	\$43,543.00	\$8,471,947.00	\$43,489,243.00	\$0.00	
11.a. Child Care (Assistance and Non-Assistance)	\$43,543.00	\$7,092,664.00	\$0.00	\$0.00	
11.b. Pre-Kindergarten/Head Start	\$0.00	\$1,379,283.00	\$43,489,243.00	\$0.00	
24. Total Expenditures	\$72,080,635.00	\$78,536,629.00	\$43,489,243.00	\$10,715,114.45	
28. Unobligated Balance	\$0.00			\$0.00	

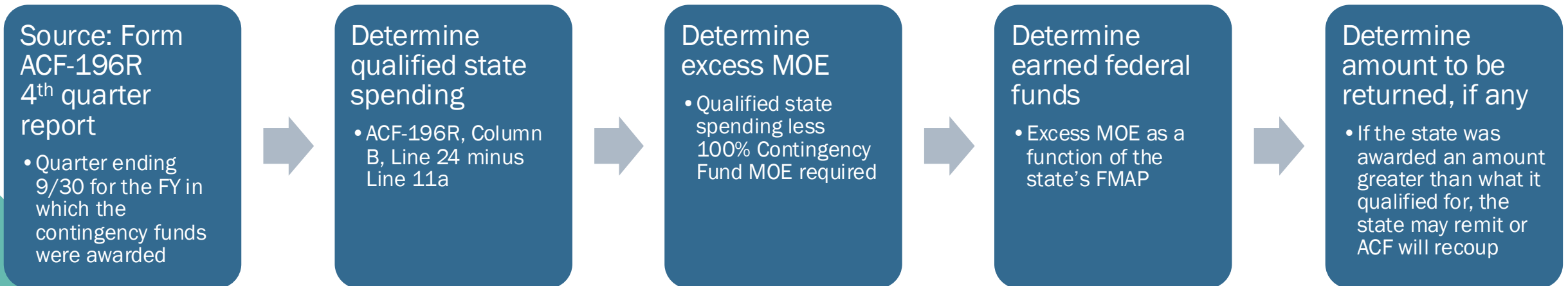
EXAMPLE:

1. Start with: Column B, Line 24 = \$78,536,629.00
2. Subtract: Column B, Line 11a = \$7,092,664.00
3. Result: MOE applied to your 100% Contingency Fund MOE requirement and the amount available for matching = \$71,443,965

Federal Medical Assistance Percentage (FMAP) = 0.7284

ACF's Reconciliation Process

How ACF determines if a state's MOE spending was sufficient to retain funds received:



Summary

Updated Terms and Conditions

- Effective FY 2026
 - **December 31 deadline** for revising MOE on the fourth quarter financial report of the prior FY
 - Regularly monitor your state expenditures using MOE in TANF

TANF Contingency Fund Application

- Effective FY 2027, once approved
 - Until the new form is approved, continue using the current process.
 - Once the form is approved, there will be **one transition month** in which either the old or new form will be accepted.
 - Subsequently, states will need to follow the new form and monthly application process

Resources

- FY 2026 Supplemental Terms and Conditions for the TANF Contingency Fund: <https://acf.gov/sites/default/files/documents/ofa/OFA.93.558-TANF-Contingency--States--FY26-Final.pdf>
- Needy State Trigger tables: <https://acf.gov/ofa/resource/12wks-qualifiers>
- Contingency Fund Issue Brief: <https://acf.gov/ofa/policy-guidance/tanf-contingency-fund-issue-brief-january-2026>
- Forthcoming:
 - Reporting Instructions and Form: <https://acf.gov/ofa/programs/tanf/policy/contingencyfund>
 - Program Instruction

Questions?

Thank you for your partnership!

Contact us via email at TANF@acf.hhs.gov