



Office of Family Assistance (OFA)
Overview of OMB Approved Form ACF-196R State TANF Financial Report Form
Webinar Transcript
September 11, 2014
2:00 p.m. ET

Presenters:

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- Maria Sciannameo, Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services
- Julie Siegel, Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services
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- Steve McLaine, OFA Peer Technical Assistance Network

Operator: Ladies and gentlemen, thank you for standing by. Welcome to the overview of OMB Approved Form ACF-196R State TANF Financial Report Form.

If at any time during the conference you need to reach an operator, please press Star 0.

During the presentation, all participants will be in a listen only mode.

As a reminder this conference is being recorded Thursday, September 11, 2014.

I would now like to turn the conference over to Steve McLaine. Please go ahead, sir.



Steve McLaine: Thank you, Rebecca, and thank you everyone for joining. We would like to let you know that questions and answers will occur at the close of the webinar. However, you may submit questions throughout the presentation by using the chat box in the lower left corner of your screen. Simply type your question into the box and press “Send.”

We will collect the questions and pass them to the presenters as needed, and we’ll address all of your issues at that time.

Now I’d like to turn the call over to Susan Golonka, the Acting Director of the Office of Family Assistance.

Susan Golonka: Thank you. So, good afternoon, everyone, at least for those of us on the East Coast, and thank you all for joining the call today.

As Steve said, this call is about the revised reporting form, what we now are calling the 196R for State submission of quarterly financial data on their State TANF and MOE expenditures.

And for those of you who have followed the progress of this, you know that we’ve been working on this for over a year, and will actually go into effect, if you will, for FY 2015 with the First Quarter of 2015 -- the first quarter report for 2015, we’ll be using the new 196R.

We’re excited about this new form, because we think it will provide much more accurate and informative information about how all of you – how States are spending their money. It will do it by both, as you will see -- we’ve created more categories of spending that we’ll be asking you to report



in, and also, the methodology has changed such that if you have corrections to make to that with respect to prior year expenditures, those corrections will actually be made in those prior year expenditure forms, I guess, as opposed to making changes to the current year.

Under the current way we've been doing it, when you make changes to the current year for prior year errors or corrections, you can actually come out with some negative expenditure.

And, in fact, I was just looking the other day at a State financial report for 2013, and it had -- I don't know -- it was, like, negative \$22 million in its cash assistance expenditure line, which obviously was not happening.

So, with this new report, we will be able to know much more accurately what was spent in the current fiscal year or in a current fiscal year, regardless of what year the dollars originally came from, and we'll also have greater clarity about how it was spent.

We think this information will be valuable to -- obviously to us, as we think about how the program is being implemented. We know it will be of interest to policymakers, including Congress, because there has been prior legislation where the temporary reporting had to be done and under the Claims Resolution Act. So that was clearly an interest that they've expressed.

And then, as well, to -- GAO has expressed issues and concerns about this. So overall, we think it will be much more informative. And we hope it will be useful to you in terms of how you administer your programs, how you



communicate how you're using your funds, and, we think that will be valuable to your own State legislators to know and policymakers within your Executive Branch.

So, today we are -- Maria Sciannameo, who is in the Office -- within the Office of Family Assistance and has worked on this since the inception -- is going to provide an overview of the key aspects of the 196R.

And we will also likely do a more detailed webinar in November or December that really gets more to the nuts and bolts of submission.

And we're joined here by other folks, including some of the gentlemen who are helping to program within the OLDC System. So if you have some questions about that, they might be able to address those as well.

And we also have Peter Germanis here from the Office of Family Assistance who also has been involved since the beginning of this.

So with that, I'll turn it over to Maria. Thank you.

Maria Sciannameo: Thank you, Susan. So, I'm just going to go ahead and jump right in. First, I'll provide an overview of the webinar. We'll discuss the program instructions where we announced that OMB approved the new Financial Reporting Form -- the 196R.

We will review the two changes to the financial reporting that we've made.



And while we have that discussion, we'll go over briefly some material that we presented in prior webinars about why we made these changes.

And then we'll also discuss some feedback that we received during the Federal Register posting, where you all had an opportunity to provide comments.

And then, we'll discuss some next steps that we would like from you guys, and also what you can expect from us. And at the end, we'll respond to your questions, which as Steve said you can submit via the chat function.

So on July 31, 2014, we published a PI, where we announced that OMB approved the ACF-196R form. It's available on our Web site now, and you have the form -- the PI has a form and instructions attached to it.

And that form will be effective, as Susan said, for -- starting Fiscal Year 2015, so it's with the first quarter report that's due on February 14, 2015.

And from now on -- from that point on, the financial data collection will involve two forms -- the ACF-196R, and we'll still need to use the ACF-196, which will be used for adjustments and corrections to expenditures reported through FY 2014.

And we'll get more into that, and we'll be able to illustrate how all this will work.

So the first change we're going to discuss is changes to the expenditure categories and definitions. And just briefly, we want to go over some



limitations of the categories on the ACF-196 that kind of sparked the change -- these changes that we're implementing now.

Essentially, the categories on the 196 don't reflect the broad array of different types of expenditures States are using their TANF funds on. We've seen an increase in expenditures reported as "Other," "Non-assistance," particularly with MOE. And we also get little meaningful information under the category for "Authorized Solely under Prior Law."

And finally, the expenditure categories and the definitions themselves aren't mutually exclusive. So there is some inconsistency between States and how expenditures are reported.

So our goals with the new Financial Reporting Form are to address these limitations and really reduce to the greatest extent possible the amount reported under "Other." That is our goal, because we want to be informed of how you are spending your TANF funds.

And we did keep -- we are mindful of the reporting burden, so we did try to strike a balance and not make it too extensive of a list of expenditure categories.

So, this table provides a comparison of the 196 categories on the left and the proposed categories that we submitted with the first Federal Register Notice. "New to" categories were informed by the Claims Resolution Act, as Susan touched upon and, you know, that was additional data that we collected for two reporting periods in 2011 you may recall.



And you'll see one major difference that we proposed was to eliminate the distinction or the overall structure of it, breaking down "Assistance" and "Non-assistance" expenditures.

And we received a lot of comments about that, and we'll discuss our final decision with respect to that in a few slides.

So after the first Federal Register Notice, we received a number of comments, some recommendations for more categories, actually, and specific changes to language in the definitions.

Some examples of additional categories that were suggested include separating out adoption subsidies into a third subcategory under Basic Assistance. And that was due to the expansion of eligibility of Title IV e-Adoption Assistance. We had a suggestion to add a subcategory for "Independent Living Services" under "Services for Older Youth and Children."

But in general, we accept the recommendations that clarify definitions or ease reporting while avoiding additional subcategories. That would be too burdensome.

And you'll see that we actually didn't add those two examples that I mentioned in the final reporting.

And one comment we received indicated that the proposed subcategories under "Work Support" which were "Transportation," "Job Access," and "Non-Transportation Work Support" are not necessary, because they



account for a little of total TANF spending, about 1.5%. So, we actually removed those three subcategories and only have one general category for “Work Support” that includes in the definition “Transportation Expenditures.”

And this resulted in a change in how “Job Access” is reported, and I’ll get into that detail in a little bit.

So on the right-hand side are the final categories on the OMB-approved form. And some of the changes we made were -- between the first and second Federal Register Notices -- were related to the definitions themselves. For example, we clarify where “Child Support Pass Through” should go.

So we really encourage you to review those instructions carefully as you complete the form.

And as I mentioned before -- did want to clarify a special instruction related to “Job Access.” So States will report the amount for “Job Access” in two places on the form, actually. It will be reported within the total on Line 10 for “Work Support.” And it also needs to be separated out on Line 26 by itself.

And the purpose for that is to calculate whether a State has exceeded its limit on transfers, so hopefully that’s clear. But this was the best way to get both the total expenditures and also to ensure that the transfer limit is calculated correctly.



Now we did receive a lot of comments as I mentioned before about our decision to combine “Assistance” and “Non-assistance.” In particular, there was concern about how this affected Caseload Reduction Credit calculation. We do want to make clear that they should not necessarily have been using the ACF-196 to report or verify the assistance amount reported on the ACF-202 which is the Caseload Reduction Report, because as we explained, the 196 expenditures have adjustments and corrections from prior years.

We’ve asked States to submit this data based on actual expenditures from their own accounting system but it may not match what’s reported on the 196.

And now with the implementation of the 196R, we will continue to calculate the State’s Caseload Reduction Credit as per the formula outlined in the regulation. And States should continue to report assistance and total expenditures made during the fiscal year on the Caseload Reduction Report. That’s the ACF-202 according to the instructions of that form.

And we plan on using your ACF-196R mainly to verify that the Caseload Reduction Credit expenditures are consistent and check that the total expenditures match those reported by December 31st on the ACF-196. And that’s for quarter ending 9/30.

And finally we want to review that we -- the ACF-196R does include a Part 2, and that’s for narratives for spending Authorized Solely under Prior Law, and the amount that’s reported in “Other” and any expenditures reported that are based on an estimated methodology.



And we're going to require that Part 2 form once a year only.

So now we're going to switch gears and talk about the change, the accounting methodology with the implementation of the 196R.

And the new form -- I want to go over a few terms in relation to the new form. It introduces a new term -- a grant year which refers to the year in which the funds were awarded. And it redefines the term "Fiscal Year," which from now on will be the year during which an expenditure occurs or is made.

And again, just to go over what the current approach is on the 196 -- we've discussed this in past webinars, so we won't spend too much time on this. But with the current approach on the 196, each quarter, States report cumulative expenditures made with each open grant year.

And the only way for us to calculate estimates of Federal expenditures made in a fiscal year is by taking the cumulative total at the end of the current fiscal year and subtracting from it the total at the end of the preceding fiscal year.

And then we add the net changes together in all open grant years. And this does not always result in accurate or real expenditures made in a fiscal year.

And the reason for that is that because States' reports will reflect adjustments and corrections to prior reporting in the current quarter's reporting.



So if you look at this example, we have a State that had a mistake in the First Quarter of 2015 and it doesn't reflect that expenditure until the Fourth Quarter of 2017. In essence, it's overestimating expenditures for 2015 and underestimating expenditures made in 2017.

And as Susan mentioned before, if the adjustment is big enough, it could lead to negative expenditures.

So our goal with the 196R is to address this limitation. But we also want to continue to be able to monitor cumulative grant awards and also monitor MOE and all the rules related to limits and transfers and caps on administrative costs. And we want to really be able to convey expenditure trends accurately.

So here we have the instructions. I took this directly from the instructions on the Web site. And I'm going to read it to you.

“Effective FY 2015 a State will report 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 or the fiscal year resulting in a fourth quarter report that reflects actual expenditures made with the grant year award for -- award funds for the fiscal year. States will no longer report expenditures cumulative through the current quarter's reporting.”

And we admit that it is a little confusing, and we understand it's not the best written instruction. And the reason why the two -- those two phrases are



highlighted -- we actually received a question from a State about these two phrases in particular, that they seem like a contradiction.

But in fact, they make sense. And we're going to go through and illustrate it for you to show you how the ACF-196R accounting will work.

So here we have an example of a State that has multiple grant years open in Fiscal Year 2014. The State has been filing quarterly reports for all open grant years except for grant year 2009. It hasn't filed a quarterly report in a while.

So here we're at the Fourth Quarter of 2014. And in order to make the transition smooth, we really would like States to submit that fourth quarter ACF-196 for each open grant year it had. So in this case, even though for grant year 2009 the State hasn't been submitting quarterly reports, it's important that the State submits a fourth quarter report for that grant to reflect -- that reflect expenditures through Fiscal Year 2014.

So here we transition into Fiscal Year 2015. And we introduce the ACF-196R.

So by February 2014, a State will submit expenditure with each open grant year made in the first quarter of the fiscal year, in this case 2015.

Then by the next deadline, May 15, States will submit expenditures with each open grant year made through the second quarter of the current fiscal year, in this case 2015. So essentially the second quarter's report builds on the first quarter report and is cumulative through the second quarter.



Similarly, for the third quarter, by August 14, you'll submit expenditures through that quarter building on the second quarter's report.

And then finally, for the fourth quarter, by November 14, you'll submit expenditures with each open grant year made through the fourth quarter.

And this results in a Fiscal Year Report for each open grant. And it's important to note that from this point on, that's essentially the most important form for the fiscal year. You'll still have access to the quarterly submissions that you've made in the system, but in order to make the revisions and to calculate cumulative reports, which I'll illustrate in a few slides, that's the most important sheet that we keep on hand.

And here we introduce Fiscal Year 2016. And again, at this point we start from zero with the first quarter's report. You're not building upon the prior fourth quarter report.

And generally, the fewer grant years that are open, the fewer sheets that a State is going to maintain clearly.

So when reporting your expenditures, it's important that there's no gaps in reporting and that they keep all the expenditure reports up-to-date.

So if there's no expenditures that were made with a grant in the first quarter, you should submit zeros on that form. If there are no expenditures made in the second, third or fourth quarter reports, the system will allow you to clone the prior quarter's report. The system will also make sure that you have no



gaps in reports because it'll essentially force you to complete missing reports for a grant in order to submit the next quarter's report.

Next, we're going to talk about revisions to previously reported expenditures. And there's two types of revisions that can be made. So there's those that are made to expenditures reported in 2015 and forward, and also those that were submitted prior -- for expenditures submitted prior to Fiscal Year 2015.

So the first kind of change -- this is from the instruction -- is, beginning with FY 2015, revisions to any expenditures made in Fiscal Year 2015 and thereafter should be made to the ACF-196R of the report quarter ending September 30th, the fiscal year in which the expenditure occurred.

Again, we understand that's pretty confusing so we're going to illustrate it for you with a few examples. If the State wanted to make revisions to grant year expenditures made in Fiscal Year 2015 it would access that fourth quarter report for that grant in 2015.

Similarly, for revisions to grant year 2015, expenditures made in Fiscal Year 2016 -- it'll essentially access the form for grant year -- that form itself and make the revisions directly to that form.

And again, another example -- revisions to grant year 2013 expenditures made in 2015, you will access that form.

Each -- when you make a revision, you should explain in an addendum a reason for the revision, because our Grants Management staff really



appreciate that information for monitoring purposes and those explanations can be brief. An example would be inputting new expenditures after receipt of county level data.

Now we're going to talk about the second type of revision, and that's to expenditures reported prior to Fiscal Year 2015. So for those adjustments or corrections, you'll be able to access the 196 displaying each grant year's expenditures cumulative through Fiscal Year 2014.

This will be based initially on the report submitted for quarter ending September 30, 2014, which we hope that you will submit for each open grant year.

And again, this might be confusing so we will illustrate it. So the sheets highlighted in yellow -- these will be used for revisions to expenditures made through Fiscal Year 2014.

And you see an example -- so revisions to grant year expenditures made through Fiscal Year 2014 will be made directly on that ACF-196. Here in this example, the State didn't submit a Fourth Quarter 2014 Report for grant year 2009, so if they had to make revisions to that form, it would need to submit the form after the fact.

And in order to make the transition smoother, we are really hoping and encouraging States to submit for all open grant years, Fourth Quarter, 2014 report, cumulative through FY 2014.



And we do want to note that once all the grant years prior to 2014 are closed out, States will no longer need to maintain any 196's. They will just have to work with the 196Rs.

So next, we're going to talk about Cumulative Grant Year Reports. And these are reports that the system will be able to generate. And they'll essentially be providing for you what is collected now, and this is the form that you use to monitor grants. You'll be able to see how much funds you've used to date and also how many funds are remaining within each grant.

And you can also -- you'll also be able to monitor the cap on administrative costs, as well as the limit on transfers.

Here's an illustration of how that will work. So for the first year of a grant, the Cumulative Grant Year Report looks exactly the same as the Fiscal Year Report. Here we have grant year 2016 reported in 2016. It only has one sheet, so there's only one sheet to take into account for the Cumulative Grant Year Report.

Otherwise, it reflects the sum of expenditures reported in all Fourth Quarter Fiscal Year Reports for a grant. So in this case, to calculate the Cumulative Grant Year Report for grant -- 2015, you sum grant year expenditures made in Fiscal Year 2015 and grant year expenditures made -- and grant year '15 expenditures made in 2016.

Pre-2015 grants will produce a Cumulative Grant Year Report that will look a little different, because in this case, it has to take into account expenditures reported through FY 2014 on the 196, which has the old sets of categories



and those reported in each fiscal year beginning 2015, which has the new sets of categories.

You'll still be able to monitor everything you need to monitor. They'll just look a little different because they have to account for both sets of categories.

And just remember -- prior to FY 2015, we don't have separate Fiscal Year Reports. Note that the X's are there. Those aren't taken into account. The only thing you'll need moving forward is that Fourth Quarter of 2104 Report for each open grant.

And next, we want to illustrate a scenario that where States submit the final report for a grant before the end of the fiscal year. And that essentially will be the last report that's taken into account in order to produce the Cumulative Grant Year Report. You see that there.

And in order to verify whether a grant can be closed out, that Cumulative Grant Year Report must show that unliquidated obligation and the unobligated balance of zero and that all the limits on the transfers and administrative caps check out.

And finally, we want to point out that the system will allow a user to generate a Cumulative Grant Year Report to any fiscal year the user chooses rather than simply just the latest fiscal year.

So if it's 2016 and you want to know expenditures with a grant made through 2015, you'll be able to generate that as well.



Next we have a Cumulative Fiscal Year Report. So the data collection system -- this is another report that it'll generate. And it sums the actual expenditures made with each open grant during the fiscal year.

And this is a report that we'll use primarily in order to publish our expenditure data every year.

And instead of summing across, we're going to be summing down. So here we have the Cumulative Fiscal Year Report for 2015. We'll sum all the expenditures made regardless of grant during that fiscal year.

Similarly in 2016, we're going to sum all the expenditures made with that grant -- with each grant during that fiscal year.

Next, we want to specifically provide instructions on how you should report MOE. You should only report MOE for the fiscal year and the corresponding Grant Year's Report. An easy way to remember that is an end use report where the fiscal year and grant year match.

And in fact, the system won't allow you to fill in the MOE columns after the first year of a grant. So and then in order to revise the MOE expenditures, you'll go back to the Fiscal Year Report where you reported those MOE expenditures.

For pre-2015 MOE expenditures, you'll provide the expenditures in the appropriate grant year's ACF-196. So in order to -- for example, in order to



revise expenditures claimed as MOE in Fiscal Year 2013, you should go to the ACF-196 for grant year 2013 expended through 2014.

And just to relate back, we did talk about before how the financial reporting relates to the Caseload Reduction Credit Report. So here, we have the system, which will be able to provide a snapshot of MOE reported by December 31st, which is the deadline for reporting MOE for caseload reduction credit purposes.

If the State increases that total after the deadline, the additional amount will not count for excess MOE. If the State reduces the MOE after credits have been issued you'll invalidate the credit even if the lower amount doesn't result in a penalty.

So if States expect that they will lower the MOE amount at a later date they should report on the ACF-202, the Caseload Reduction Report, the amount for which it wants to claim excess MOE for.

The States should not provide MOE expenditure data lower than that MOE amount for which it received credit, because doing so will invalidate the credit.

And finally, going to go over some feedback that we received on the new accounting methodology between the Federal Register Notices -- comments were generally supported about our proposed methodology. One commenter urged us to develop a clear system for documenting and disseminating revisions as they're submitted.



We plan on updating expenditure data that we publish on our Web site once a year. As we publish new expenditures, we'll go back and revise the ones we published in previous years. But we won't do it on an ongoing basis as the revisions are submitted.

There was also concern that this methodology forces States to adopt the accounting on an accrual basis. This is not the case. States may not change their own accounting methodology in order to comply with the reporting instruction. You can report based on cash or accrual.

And you make adjustments in order to fix the error that -- in an expenditure that you reported based on your own accounting methodology.

And finally, there was some concern about difficulty in meeting the 45-day reporting deadline due to the timing of when -- for example, due to the timing of when counties submitted their report.

And we actually don't see how this changes with the new accounting methodology. But it actually improves the accuracy of the expenditures, because you'll be able to account for the expenditures when they actually occurred.

And for late reporting from counties, for example, you'll be able to submit those as revisions to previously reported expenditures and account for them in the quarter or in the fiscal year in which they actually occurred.



Some next steps – again, I’m going to reiterate. We’d like you to submit expenditures for each open grant year through Fiscal Year 2014 with the fourth quarter report.

Some select States and our regional staff will be involved in some testing in early November of the new system.

And as Susan mentioned, we’ll be having a technical webinar more for the users of the system in mid-December. We expect the new form to be available in the OLDC System January 2, 2015.

And you can send any questions to my assistant, Peter Germanis, at that Web site right there, that email address.

So now I think we can take some questions. I’ll leave this up if you want to write down Peter’s email address.

Steve McLaine: Okay, again if you would like to submit questions, feel free to use the chat box in the lower left corner of your screen.

The first question is, “Does the ACF-196R also replace the ACF-196TR effective Fiscal Year 2015?”

Maria Sciannameo: No. That form actually has a different OMB approval number. So we’ll look in the future. See how our experiences with this form and consider making changes to the other reporting forms including that for territories as well as Tribes.



Steve McLaine: Okay. The second question – “Will the States be able to generate the new reports, or are they only for ACF?”

Maria Sciannameo: I think that’s referring ...Cumulative Reports, the Cumulative Grant Year Report or the Cumulative Fiscal Year Report. And States will have access to those as well. They’ll be able to monitor how they’re doing with their grants and the total expenditures made in the fiscal year regarding the grant.

Steve McLaine: All right. We have two more questions remaining. The first of the two is: “What does invalidate the credit mean?”

Maria Sciannameo: I’m actually going to turn that over to my colleague, Julie.

Julie Siegel: Bad things. We haven’t actually been in a situation where we had this happen.

But we can’t be in a situation where we give a State essentially work participation credit for spending that it now tells us didn’t happen. I mean that’s just not fair and it would be, you know, grossly inaccurate.

So the better approach is just to be sure that you’re not trying to take excess MOE credit for spending that you’re later going to undo.

And we will work with you to make sure that, you know, you have a floor or maybe it’s a ceiling on the spending so that we don’t give you credit in the caseload reduction credit for more than you’re ultimately going to have. And that’s -- it’s only fair.



We don't want to be in a situation where we have to, you know, revoke a credit and that would affect work participation. You know, I don't know that we fully outlined exactly how it would work.

But it would be a bad thing for everybody.

Steve McLaine: Okay, thank you. The questions are coming fast and furious now. The next one: "The ACF-196 Form does not have a box to indicate the report is a final report as I see is on the ACF-196R. Is a report considered final on the ACF-196 if the unliquidated obligations and unobligated balance are both zero?"

Peter Germanis: Well, after Fiscal Year 2015 the 196 would only be used if you continue to spend that grant year's funds in FY '15 or later.

So you would only close the grant out on the 196R itself.

Maria Sciannameo: But if you're trying to -- if the question is maybe that you're trying to close out grants prior to the transition on the 196, do they indicate that on a grant?

Peter Germanis: Well, and remember they'd be using the current form.

Maria Sciannameo: Right.

Peter Germanis: And I believe that form does have a final.

Maria Sciannameo: A formal check.



Peter Germanis: It's only in the -- if you transition, you haven't finished all of your spending that you would even be looking at the 196 at that time.

Steve McLaine: Okay, thanks. Next question: "When we enter the data within the 45 days, can we still make adjustments through the full 90 days?"

Peter Germanis: Well obviously if you -- once you've entered the first quarter report for example, when you revised the first quarter or make the changes in the second quarter...

Winston Gonzalez: Yes, it will be in the quarter they're working on for that fiscal year.

Maria Sciannameo: It'll be in the quarter that you're working on within the fiscal year.

Peter Germanis: But normally a change occurs and you want to go -- let's say it's in the third quarter and you want to go back and make a change to something that happened in the first quarter, you wouldn't go back to the first quarter. You would -- everything is cumulative through the quarter in question until you get to the end of the year.

Winston Gonzalez: Right.

Peter Germanis: So at that point you would just make the correction in the third quarter in that example.

Maria Sciannameo: Right, within a fiscal year, you don't have to go back to prior quarters. You could just reflect it in the current quarter. Once you get to the fourth quarter



then that's the final for the fiscal year and then the next fiscal year you would start at zero.

Steve McLaine: Okay. Next question: "I thought that States were required to submit fiscal reports for the end of the fiscal year, i.e. fourth quarter reports, in order to show any cumulative expenditures from the TANF award."

Peter Germanis: I'm not sure I follow the question. They're supposed to report every quarter.

Winston Gonzalez: Oh in the original instructions, we had it that way but it has changed, right. They're now...

Peter Germanis: Oh.

Winston Gonzalez: ...required to file that annual cumulative report.

So we will provide the means in the system for them to generate the cumulative report and say the cumulated expenses.

Steve McLaine: Okay. "Will the award amounts be auto filled?"

Maria Sciannameo: Yes. The award amounts will be auto filled. There are some lines that are calculated and auto filled. When you get into the second year of a grant, there'll be a carryover which will be automatically calculated.

And when – actually, when a State makes a revision to previously reported expenditures all the carryover amounts will be automatically updated in the form that follows.



Steve McLaine: Okay. "On the example, it showed Q1 2009 reporting quoted for Fiscal Year '14 report. Why is this needed?"

If Quarter One Fiscal Year '13 was the final report and there's no additional funding available, is this quarter for Fiscal Year '14 ACF-196 needed?"

Peter Germanis: Well...

Maria Sciannameo: If you've closed out the grant prior to 2014, then no, you don't need it. In that example, grant year 2009 was still open. The State hadn't, you know, used any expenditures with that grant for a number of quarters or they weren't updating that for whatever reason.

So it's important that for the Fourth Quarter 2014 we have all expenditures made through the fourth -- through 2014.

Does that answer that question?

Winston Gonzalez: Yes.

Steve McLaine: Okay. "So did I understand that States now will have to keep up with two accounting methods -- cash and accruals?"

Maria Sciannameo: No. You should continue using whatever kind of method you use and you report on. The adjustments and corrections essentially just result in an error to prior reporting. So you would just go back and fix the error according to



how you reported these expenditures, using your own accounting methodology.

Steve McLaine: Okay. I think this is a follow-up to a previous question. “Your example did not show fourth quarter reports for Fiscal Year 2009.”

Maria Sciannameo: For Fiscal Year 2009, we were using the 196.

Julie Siegel: You had one example of each. You need a square around it.

Winston Gonzalez: Yes. It’s right there. There you go.

Maria Sciannameo: I guess I don’t know.

Julie Siegel: In this -- in that example you did have a fourth quarter report. You had a later example where the State made an error -- hadn’t sent in the fourth quarter at the end of 2014.

Maria Sciannameo: Correct. And that was for revision.

Julie Siegel: Right.

Maria Sciannameo: The State wouldn’t be able to make revisions to the 2009 grant expenditures with the 2009 grant through 2014 because we don’t have an ACF-196 submitted for that. They could submit it after the fact but it would be -- we would have it during the transition going into 2015.



Peter Germanis: The system won't -- correct me if I'm wrong, Winston -- the system won't allow you to enter data for FY 2015 in this example until you've done the Fourth Quarter 2014 Report for the 196.

So that's why we want States to submit it all now.

Winston Gonzalez: That's the ideal scenario. We would like to have every State have a baseline defined by the end of 2014 in the event that the expenditure reporting continues past 2014 under the new form in 2015 and so on.

So that when we get to generate the cumulative reports, we can have a departing point such as the last cumulative report in 2014 plus the latest quarterly report in the subsequent fiscal year so that they can be aggregated accordingly to a Cumulative Grant Year Report.

Peter Germanis: Yes. Otherwise if you didn't report that, we have to go back and try to figure out what the latest report was.

Winston Gonzalez: Correct.

Steve McLaine: Okay. "Will Part 2 eliminate the need for the fourth quarter attachments?"

Maria Sciannameo: Yes. There's no more. I think with 196 there were addendums.

Peter Germanis: Yes.

Maria Sciannameo: And now it'll be a separate part. And that'll be associated with the total fiscal year expenditures. You don't have to submit one for each grant year



used during the fiscal year. Although in the details you can -- if you had different methodologies you could provide that detail in the narrative.

Steve McLaine: Okay. This is probably the only question that I can answer: “Are these slides available on the Web site or will they be made available after the webinar?”

Yes. A copy of the PowerPoint as well as a transcript and audio recording will be posted online after the webinar.

The next question: “Will OLDC still alert with warnings and still allow reports to be certified and submitted?”

Winston Gonzalez: Yes.

Maria Sciannameo: Yes.

Steve McLaine: Okay, quick answer. “If a State’s final ACF-196 for Fiscal Year 2010 was filed in Fourth Quarter of 2013 and corrections are required in Fourth Quarter 2015, would the corrections be made to the report filed in the Fourth Quarter of Fiscal Year 2013?”

Winston Gonzalez: The question is where did the expenditure occur and if it occurred in 2014? Then it needs to go into the last quarterly file for 2014.

Peter Germanis: Although, didn’t you say they closed it in 2013?

Maria Sciannameo: Good question.



Julie Siegel: What was the last time expended?

Peter Germanis: Someone made - it sounded like someone was asking about...

Winston Gonzalez: Yes. Could you repeat the question?

Steve McLaine: Sure. "If a State's final ACF-196 for Fiscal Year 2010 was filed in the Fourth Quarter of 2013 and corrections are required in the Fourth Quarter of 2015, would the correction be made to the report filed in the Fourth Quarter Fiscal Year 2013?"

Peter Germanis: And presumably that would be for an error that occurred in 2013, not in 2015.

Maria Sciannameo: Right. For a previous prior year.

Julie Siegel: Right. It's closed.

Peter Germanis: Yes.

Maria Sciannameo: But they discover an error later.

Winston Gonzalez: Right. So I think we would like those adjustments to occur on their Fourth Quarter of 2014 for consistency purposes, right?

Peter Germanis: Yes.



Winston Gonzalez: So that every State will have filed in this case if the reporting ended in 2013, but we would like that cumulative report to be replicated.

And we're going to have the ability to clone the amounts that existed in 2014 into the last report of 2014, so that they don't have to do all the data entry for those dollar amounts and line items.

And that's where the adjustment or revision should occur on the last filing of 2014 for any adjustments that may have occurred in fiscal years prior to 2014.

Peter Germanis: And if that correction or adjustment led to some new funds becoming available, then those would presumably be spent in 2015 or in the future and would be reported on the 196R.

Steve McLaine: Okay. "For the final report for Fiscal Year 2014 that may not be completed until December 2014, will the ACF-196 or the ACF-196R be used when it is filed before February 2015?"

Winston Gonzalez: If it is for 2014, it's on the old 196...

Julie Siegel: Right.

Winston Gonzalez: ...Quarter Four 2014.

Maria Sciannameo: If the expenditures occurred in 2014, they'll be on the 196.



Steve McLaine: Okay. Next question: “Wouldn’t all States need to submit their ACF-196 for Fourth Quarter 2014, which is due November 14, 2014?”

Julie Siegel: Yes.

Maria Sciannameo: Yes, they should submit. But States don’t always submit reports for each open grant year. So please...

Winston Gonzalez: Right, and as we move forward into the use of the new form, we want to be able to have better handle on what’s outstanding, what’s open out there.

Julie Siegel: Yes.

Winston Gonzalez: And for them to communicate to the Grants Office when they have actually, you know, spent all their funds and they’re ready to close that grant.

And even after that grant -- after that report has been marked final, adjustments will be allowed thereafter if they need to make any adjustments.

Julie Siegel: Right.

Steve McLaine: Okay. Next question: “Is it true we cannot make any prior year adjustments on the 196 Form?”

Maria Sciannameo: So for the -- for expenditures reported 2014 and prior, we don’t need the revisions, adjustments separated out by fiscal year. They’re just going to be to the ACF-196 expenditures through FY 2014.



Winston Gonzalez: Right.

Peter Germanis: For fourth quarter report.

Maria Sciannameo: The fourth quarter report.

Winston Gonzalez: Right. And to help understand why, one of the reasons is that up until now, the 196 reporting by nature is all cumulative from one quarter to the next and so on. So it becomes very difficult to manage any revisions to a prior period and then to have to adjust any subsequent reports thereafter.

So we ask that all the changes for -- under the 196 reporting be concentrated and on the last quarter of 2014.

Peter Germanis: So bottom line is, anything that happened before Fiscal Year 2015 gets changed in the Fourth Quarter 2014 Report. And then you may up that -- update that once, twice, three times until there are no more changes or adjustments.

Winston Gonzalez: Yes. And thereafter, we concentrate on capturing actual expenditures for every fiscal year as we look at the fourth quarter report submission of every fiscal year.

Julie Siegel: Okay, good.

Steve McLaine: Okay. Thank you. Next question: "So we are entering cumulative data for the quarter being reported, which means for March 15 we will be reporting the cumulative amount for a given grant year?"



Peter Germanis: If that's for grant year 2015, Fiscal 2015, then yes. You reported cumulative amounts quarter-by-quarter until you get to the fourth quarter. That will be the amount spent for the year then.

Steve McLaine: Okay. Next question: "Does the period the recipient incurs the expenditure now effectively become the period for reporting on their 196R? The date the State reimburses and books the expenditures can often be in a different fiscal year."

Maria Sciannameo: I think that really goes -- depends on the accounting methodologies the State uses when it considers the expenditure made if it uses cash accounting or accrual accounting.

So it's really up to the State. As long as it's consistent between fiscal years - - it should always be consistent or else then it's going to skew expenditures.

Steve McLaine: Okay. "I filed a final report since all funds were used. Now I see there was an adjustment needed between expense categories. Can this be done? Do I need to do this on the 196R?"

Maria Sciannameo: So if it's two expenditures obviously, before 2015, you're still going to be using the 196. I personally don't know the process of reopening a grant and, you know...

Peter Germanis: And that process wouldn't change.

Maria Sciannameo: Yes.



Peter Germanis: Whatever the process has been up till now, that would continue.

Maria Sciannameo: So you can make -- you could reflect that adjustment in the current quarter's reporting all the way up through the Fourth Quarter of 2014 on the 196 because the expenditure occurred prior to 2015.

Steve McLaine: Okay. Next question: "Do you anticipate any issues for the first quarter reporting in January and will you be willing to provide the States with a filing extension?"

Peter Germanis: The biggest issue is Maria won't be here. But we haven't thought about that. I don't know if we have the authority to allow for the extension.

But obviously if there are problems just as there are now, you can update and provide the correct amounts in Quarter Two.

Maria Sciannameo: Right. Because it'll be, you know, cumulative through Quarter Two, you can reflect any adjustments needed to Quarter One or any mistakes that happened because the system wasn't working correctly in, you know, Quarter Two or Quarter Three.

Winston Gonzalez: Right. But one thing the system will do is if they're ready to file Quarter Two but they haven't filed Quarter One, it will ask them to put Quarter One as we won't be allowing to have any gaps in the reporting of expense. So that report has to exist.



And in order to simplify the reporting and their entry and limit the burden on their time, there will be a capability to clone the data from one quarter to the next in the event that there are no changes.

Steve McLaine: Okay. Next question: "I was told that prior years' grants cannot be reopened to make adjustments on the 196. Is this true?"

Peter Germanis: I think that's a question that -- unless you can answer it, Winston, we'll have to...

Winston Gonzalez: No. I think we have to defer that question to the Grants Officer.

Peter Germanis: Yes.

Maria Sciannameo: Yes. You'd have to check with your Regional Grants Officer.

Steve McLaine: Okay. That was the last question in the queue. We are coming up on the end of the webinar. We have a few minutes left.

If there are any last minute questions, please submit now. Otherwise, we will turn it over for any final comments that anyone might have.

Peter Germanis: Well, as Maria mentioned, I'm her assistant. And you can feel free to send me any questions and we can try to respond.

Steve McLaine: Give your name.



Peter Germanis: Oh well it's on the webinar but Peter Germanis. I think it's peter.germanis@acf.hhs.gov. I think. I don't email myself often.

Maria Sciannameo: But you're available 24/7 anyway.

Peter Germanis: Yes.

Maria Sciannameo: Yes.

Steve McLaine: Okay. Great, thank you everyone for -- oh, one more at the deadline... at the buzzer.

Maria Sciannameo: Give them an extension.

Steve McLaine: Yes. Final question: "Will there be a hotline for any questions we may have when using the new report?"

Peter Germanis: Well, I think initially, email me, but if we start getting a lot of questions I'll certainly find someone else you can contact. It may be Winston, or...

Maria Sciannameo: Well and their regional points of contact.

Steve McLaine: Okay. Thank you everyone for participating. This will mark the end of the webinar. Have a good day.

Operator: Ladies and gentlemen that does conclude the conference call for today. We thank you for your participation and ask that you please disconnect your lines.



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