



TRIBAL MANAGEMENT INSTITUTE

Tuesday, March 19 – Friday, March 22, 2019 ♦ Kansas City Marriott Downtown ♦ Kansas City, MO



Ensuring Effective CCDF Financial Management Systems, Budgeting, and Internal Controls

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Childhood Development

Jenna Broadway, National Center on Subsidy
Innovation and Accountability



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Session Objectives

- Explore the components of a strong CCDF fiscal management system and CCDF budget.
- Practice preparing program budgets, discuss budget management and tracking strategies and participate in peer-to-peer activities and discussions.
- Enhance awareness of effective fiscal management practices, budgeting, and internal controls required to maintain program integrity and accountability.





Check-In

Find a penny in your purse, pocket, or neighbor's pocket!

- Read the date and think of something significant you would like to share from that date or decade.

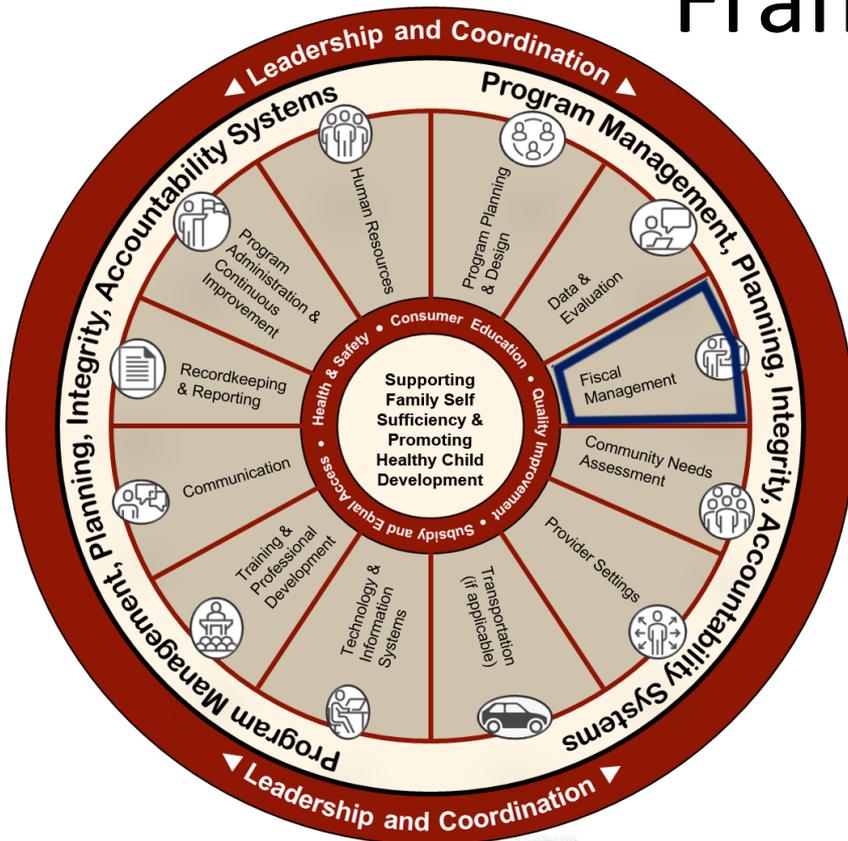


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Tribal Child Care Management Systems Framework



Fiscal Management

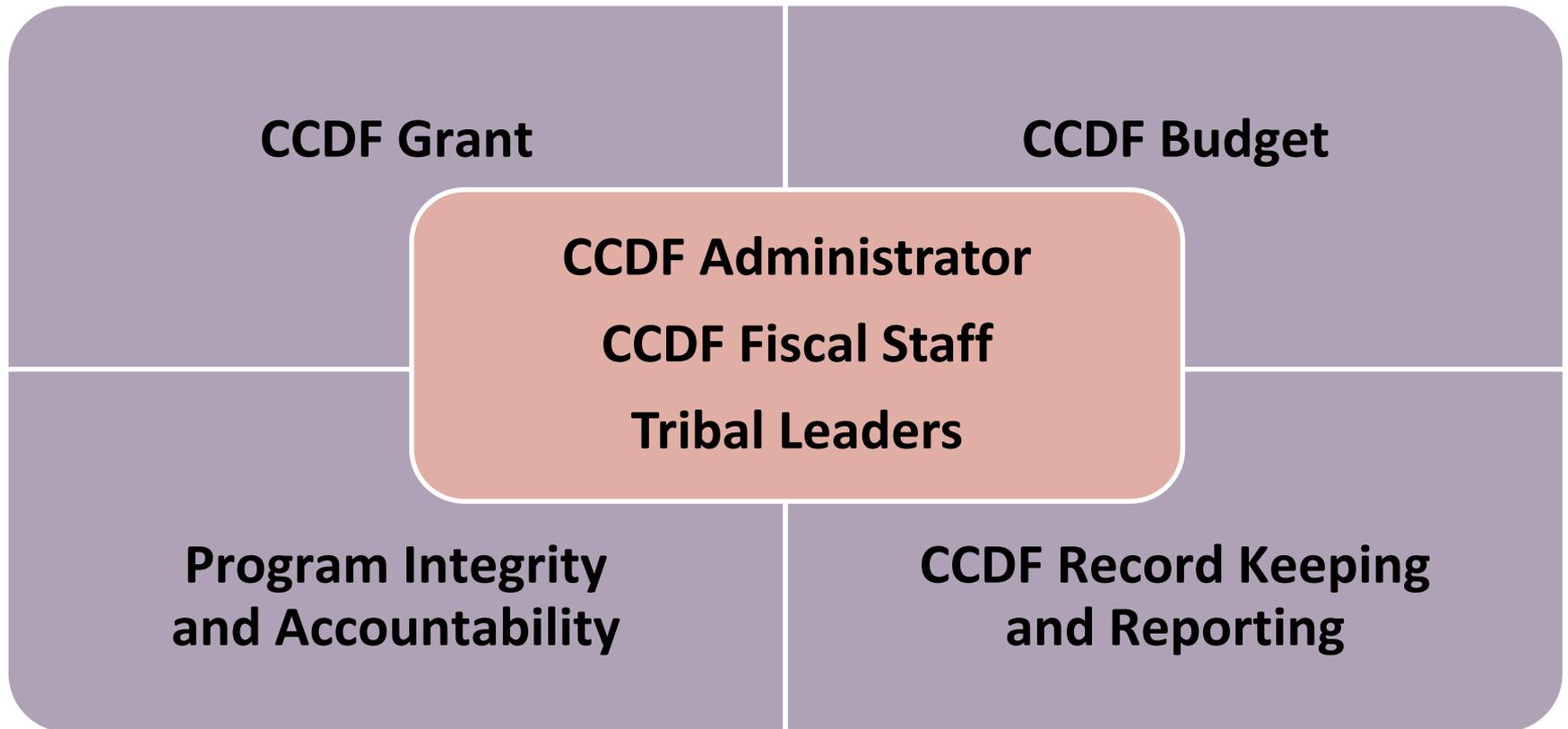


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Fiscal Management Systems





CCDF Funds and Requirements

How are CCDF funds provided?

- What are the key requirements for using CCDF funds?



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Application for CCDF Funds

Tribal CCDF Plan

- Tribal CCDF Plans (ACF-118A) are effective for **3 years**.
- The Plan serves as a grantee's application for CCDF funds. Grantees use the Plan to provide a description of their child care program and services available to eligible families.
- Fiscal year 2020–2022 CCDF Plans will be effective October 1, 2019.

Child Count Declaration

- Certifies the number of Indian children under age 13 (up through age 12) who reside within the grantee's service area.
- The Administration for Children and Families uses the child count to calculate CCDF grant award amounts.

Note: P.L. 102-477 grantees do not submit a triennial CCDF Plan, but do submit the child count declaration.

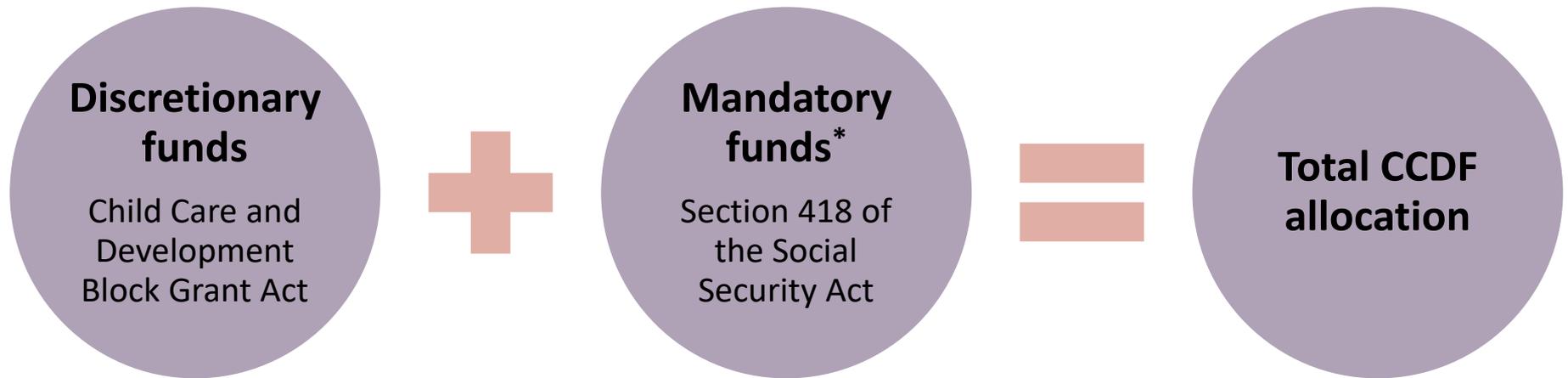


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CCDF Funds



* In Alaska, only the 13 entities defined by the Alaska Native Claims Settlement Act may receive mandatory funds.





CCDF Funding Award

- Funds are awarded on a Notice of Grant Award letter.
- By accepting the grant award, American Indian and Alaska Native (AI/AN) CCDF grantees agree to comply with the terms and conditions.



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Office of Grants
Management Division of
Mandatory Grants
330 C Street, SW
Washington, DC 20201

January 31, 2018

Lead Agency Name
Lead Agency Address

Re: Notice of Grant Award- FY 2018

Dear Grantee:

This grant award represents obligation to the GRANTEE NAME for fiscal year 2018 for the Child Care Development Fund. Mandatory and Matching funds are subject to the requirements of Section 418 of Title IV-A of the Social Security Act as amended by Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, P.L. 104-193, effective October 1, 1996 (CFDA 93.596). Discretionary funds are subject to the requirements of the Child Care and Development Block Grant Act of 1990, as amended (CFDA 93.575).

Appropriation	CAN	Allotment	This Action	Cumulative
XX-XX-XXXX	XXXX,XXXXXXX,ACF	X,XXX,XXX	XXX,XXX	X,XXX,XXX
XXXX, XXXXXXX, ACF Discretionary				
EIN: XXXXXXXXXXXX		Document Number: XXXXXXXCCDF		

This award is subject to the requirements listed in the enclosed terms and conditions. The use of Federal funds from this award constitutes the GRANTEE's acceptance of these terms and conditions.

Funds included in this award will be made available through the DHHS Payment Management System (PMS). Questions pertaining to payments should be directed to DHHS Division of Payment Management, Post Office Box 6021, Rockville, MD 20852; telephone 1-877-614-5533. Please refer any other questions about this grant to NAME, the Financial Analyst assigned to this program, at (XXX) XXX-XXXX.

Sincerely,
SIGNATURE
NAME
Financial Management Specialist

This Notice of Grant Award has been issued under a continuing resolution (CR). The allotment is subject to change.





Key CCDF Fiscal Requirements

- Use of CCDF funds
- Budget
- Obligation and liquidation timelines
- Annual Financial Report (ACF-696T)
- Allotment and redistribution
- Spending requirements
- Audits





Obligation and Liquidation

- **Obligation** is an action that commits the funds through a legal binding agreement, purchase order, contract, or subgrant between two parties for purchase of services, supplies, or equipment.
- **Liquidation** means the payment of funds to a third party as a result of an obligation.





Activity

- Does our program have available CCDF funds?
- Do funds still need to be obligated?
- Do funds still need to be liquidated?
- Where do we locate this financial information?





CCDF Budgeting

A budget is a plan that identifies the sources and amounts of a program's income and expenses.

What are the components of a CCDF budget?

- How does our budgeting process inform resource and program development?





Budget Plan versus Cost Allocation Plan

Cost Allocation Plan

A document that identifies, tracks, and calculates costs that are spread across the agency

CCDF Budget Plan

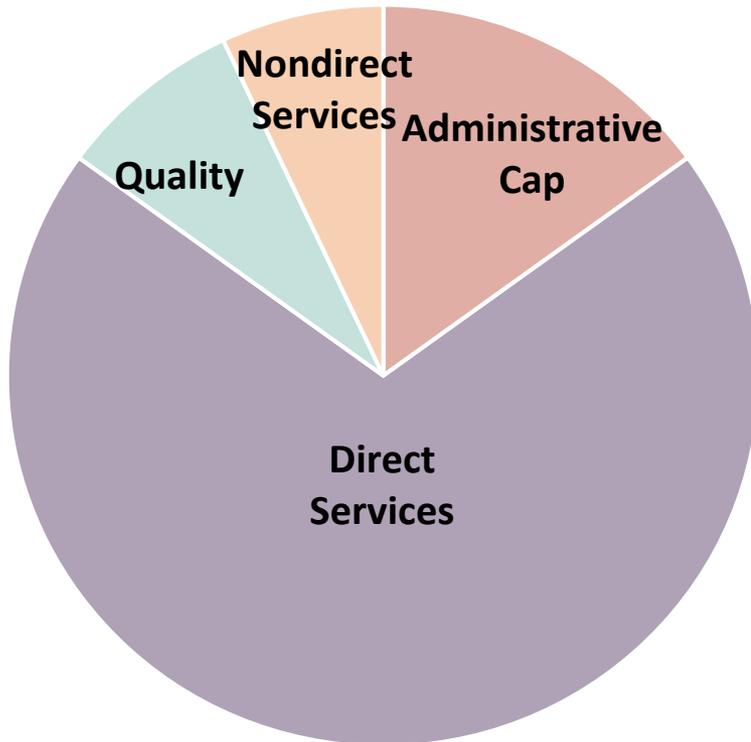
A plan that identifies the sources and amounts of a program's income and expenses

Both are important for maintaining control over and accountability for funds, property, and other assets.





CCDF Budget Requirements



Administrative Costs (all allocations)

- Organization-wide CCDF management and administration functions
- **Maximum of 15 percent** of all expended funds
- Excludes base amount

Quality Spending (all allocations)

- Allowable activities under the CCDF final rule designed to improve the quality and availability of child care
- **7 percent** of all FY 2019 expenditures
- **An additional 3 percent** infant/toddler set-aside for medium and large allocations, starting in FY 2019
- Excludes base amount

Direct Services (medium and large allocations)

- Child care services provided via grants or contracts, certificates (or vouchers), or tribally operated centers
- **No less than 70 percent** of remaining discretionary funds, after taking into account funds for quality activities and administrative costs

Nondirect Services

- Program costs that are not direct services to families, quality expenditures, or administrative costs





Budgeting Activity



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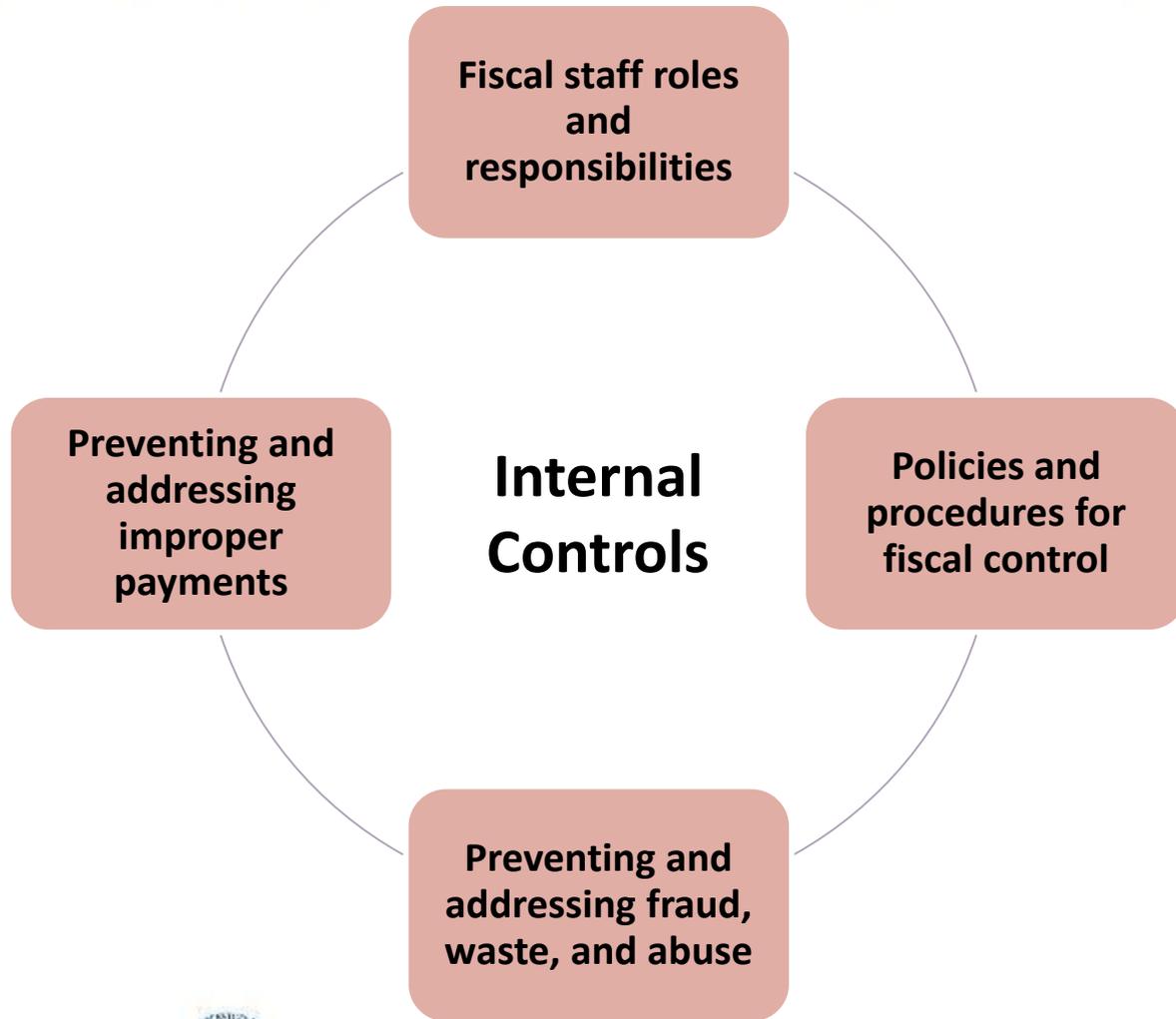




Program Financial Integrity and Accountability

- What financial integrity techniques are currently being used?
- How is accountability measured within fiscal operations?







Internal Controls

- How are budget controls implemented for the CCDF program?
- How are allowable-cost oversight measures implemented?
 - Allowable, disallowable, and reasonable cost
 - Office of Management and Budget (OMB) Uniform Guidance (2 C.F.R., part 200)







Activity and Discussion: Internal Controls and Accountability





Ensuring Clean Audits and Timely, Accurate Fiscal Reporting

- What are CCDF audit and fiscal reporting requirements?
- Do we have clean audits and have our resources been maximized?
- Are processes in place for timely and accurate reporting?





Audits

Purpose:

- To promote sound financial management—including effective internal controls—with respect to federal awards, and to establish uniform requirements for audit



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Audits

Are CCDF programs required to participate in an audit?

- How do we know if we are going to be audited?
- If we don't meet the threshold requirement, do we still need to comply with the compliance supplement, regulations, policies and procedures?





Audits

What is our responsibility to prepare for an audit?

- Gather and summarize grant information
 - Auditors want to see clean and organized records
- Document your policies and procedures
 - Documentation drives quality and compliance
- Discuss with auditor the scope of the audit and nature of federal awards

Review the OMB Compliance Supplement for CCDF: <https://www.whitehouse.gov/wp-content/uploads/2018/05/2018-Compliance-Supplement.pdf>



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What happens if a CCDF program has an audit finding?

Corrective Action Plan (CAP)

- The auditee is responsible for following up on all audit findings and addressing the CAP.
- The auditee is required to prepare a summary schedule of prior audit findings.

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, 45 C.F.R. § 75.511



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Compliance Requirements

- Activities allowed or unallowed
- Allowable costs and cost principles
- Cash management
- Eligibility
- Equipment and real property management
- Earmarking
- Period of performance
- Procurement
- Program Income
- Reporting
- Subrecipient monitoring
- Special tests and provisions

Office of Management and Budget. (2018). *2 CFR Part 200 Appendix XI Compliance Supplement*. Retrieved from <https://www.whitehouse.gov/wp-content/uploads/2018/05/2018-Compliance-Supplement.pdf>





Audits

Do audit review requirements apply to P.L. 102-477 grantees?

- Tribes participating in P.L. 102-477 must have policies and procedures in place to ensure that an audit is conducted annually and findings are addressed and corrected in accordance with all laws, regulations, and the provision of contracts or grant agreements.





Activity and Discussion

- What is your plan for when you return to your program?
- How will your fiscal staff participate in program operations?
- What does your CCDF program need to change or enhance?





Taking the Training Home

- What is one key takeaway you have from this session?
- How do you plan to put that takeaway into action once you're home?
- What technical assistance might you need to support you in implementing your takeaway?





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Thank You!



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Early Childhood Development**



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