



National Center on Tribal Early Childhood Development

Child Care and Development Fund: Fiscal Management and Data Reporting for American Indian and Alaska Native Grantees: Part I

November 2017



Welcome and Introductions



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Agenda

- ◆ Background: Child Care and Development Fund (CCDF) Reauthorization and Final Rule
- ◆ CCDF fiscal requirements
 - Grantee eligibility and CCDF Plan
 - Subpart G: Financial management
 - Subpart F: Use of CCDF funds
- ◆ Training and technical assistance resources



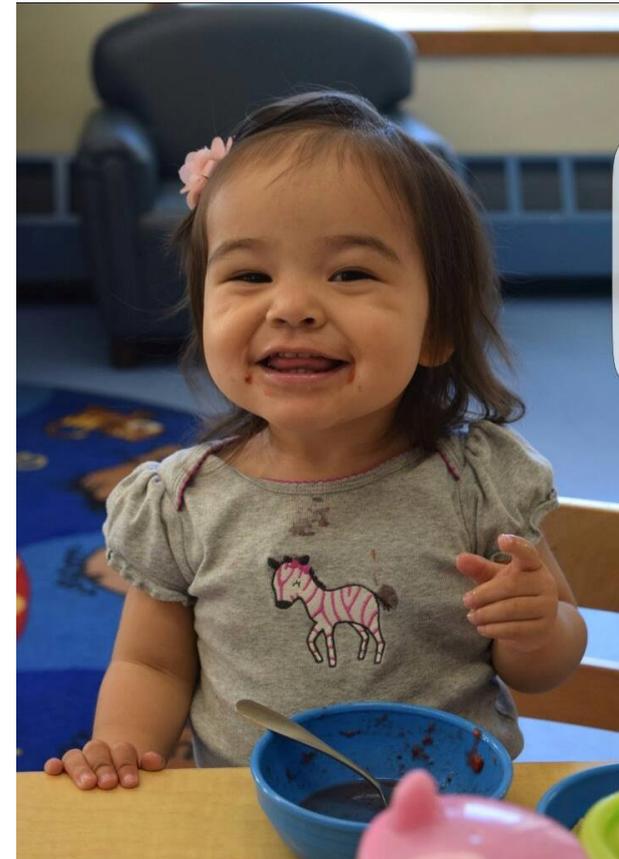
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Background: CCDF Reauthorization and Final Rule

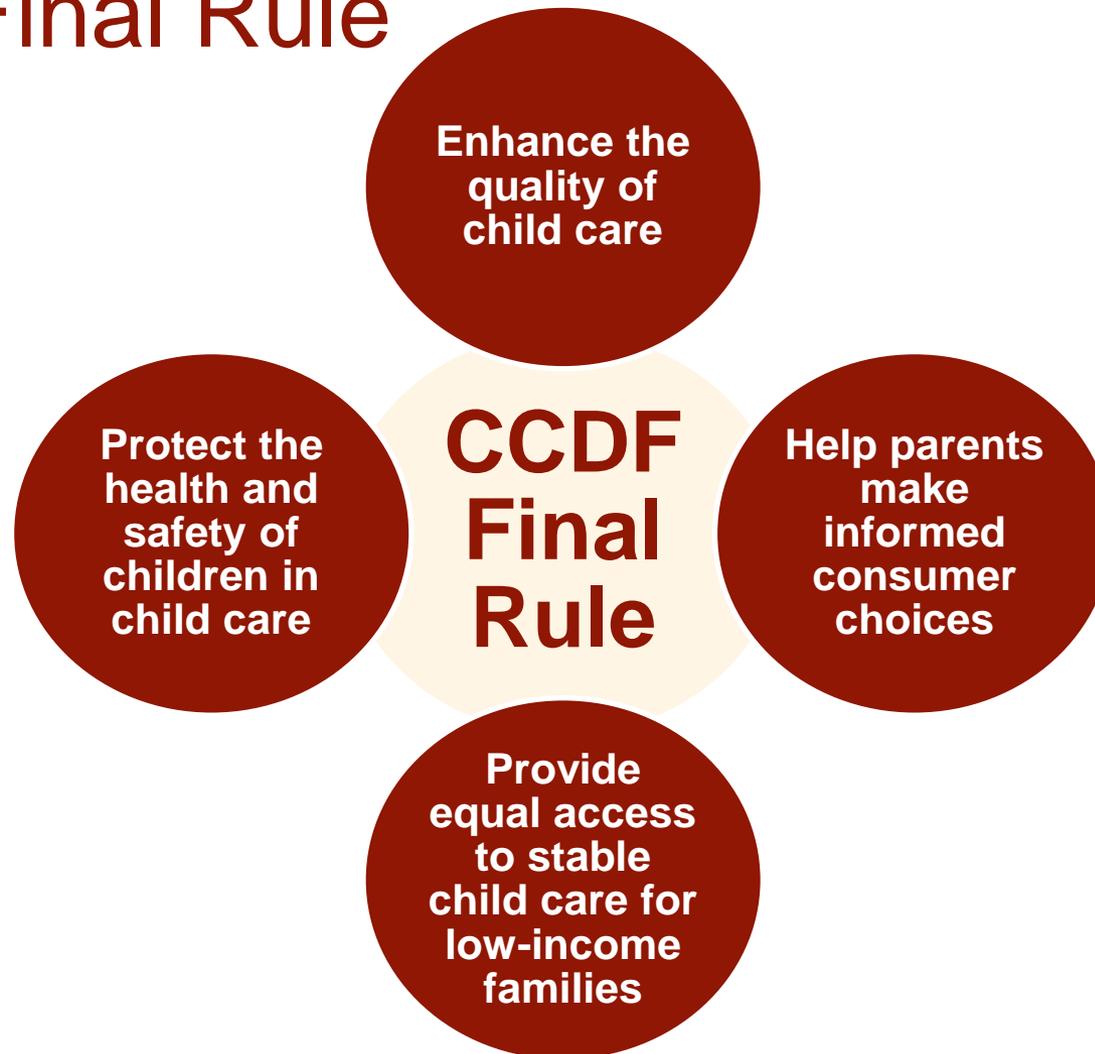
CCDBG Reauthorization

- ◆ In November 2014, the Child Care and Development Block Grant (CCDBG) Act of 2014 was signed into law.
- ◆ The CCDBG Act reauthorized the CCDF program and introduced sweeping statutory changes to raise the health, safety, and quality of child care and provide more stable child care assistance to families.

Source: Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).



CCDF Final Rule



Source: Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438, 67, 441 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).

Tiered Approach to AI/AN CCDF Grantee Requirements

- ◆ Requirements for American Indian and Alaska Native (AI/AN) CCDF grantees are based on allocation size.

**Small
Allocation**

Less than
\$250,000

**Medium
Allocation**

\$250,000 to
\$1 million

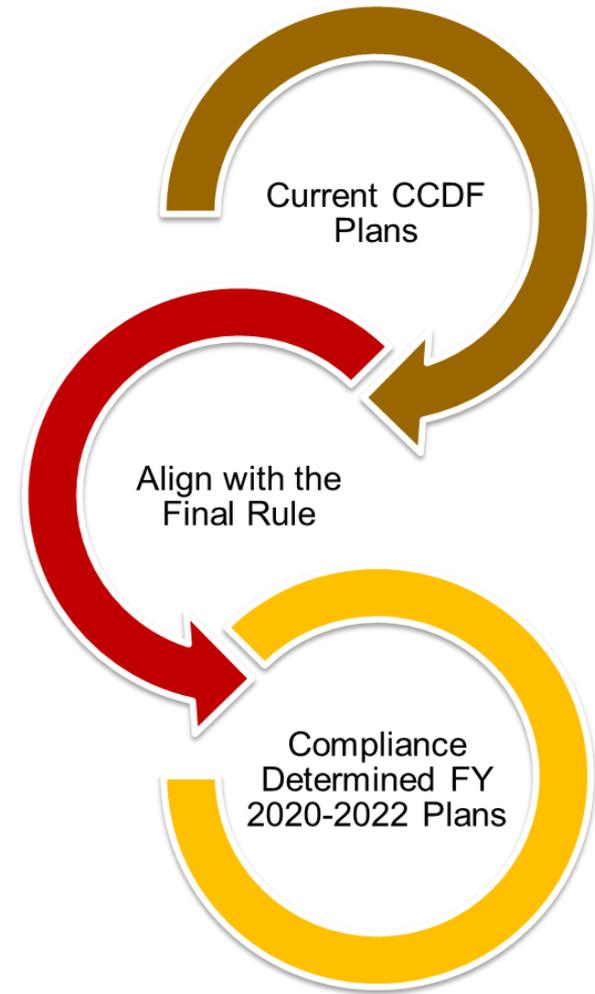
**Large
Allocation**

More than
\$1 million

Source: Child Care and Development Fund, 45 C.F.R. § 98.80(a) (2016).

Compliance Date for AI/AN CCDF Grantees

- ◆ Compliance determined through review and approval of Fiscal Year (FY) 2020–2022 Tribal CCDF Plans that become effective on October 1, 2019.



Source: Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).



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Fiscal Requirements

Eligibility for CCDF Funds

Individual AI/AN Grantees

- ◆ Must be a federally recognized Tribe
- ◆ Must have at least 50 children younger than 13 years living on or near the reservation (with the exception of Tribes without reservations located in Alaska, California, or Oklahoma)
- ◆ Must have the resources necessary to carry out CCDF requirements



AI/AN Consortium Grantees

- ◆ Must meet CCDF eligibility requirements or would meet them if there were more than 50 children younger than 13 years within the service area of the Tribe or tribal organization
- ◆ Must demonstrate capacity to support and implement a CCDF program
- ◆ Members of the consortium must be in close geographic proximity to one another (including operation in a multi-state area) or have an existing consortium arrangement
- ◆ Must demonstrate authorization from each participating Tribe for the consortium to receive CCDF funds on behalf of the Tribe for the duration of the plan

Source: Child Care and Development Fund, 45 C.F.R. § 98.80 (2016).

P.L. 102-477

- ◆ Public Law 102-477 was enacted to do the following:
 - Demonstrate how Indian tribal governments can integrate the employment, training, and related services they provide in order to improve the effectiveness of those services;
 - Reduce joblessness in Indian communities;
 - Foster economic development on Indian lands; and
 - Serve tribally determined goals consistent with the policy of self-determination and self-governance.



Source: Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2015). *Program instruction: CCDF-ACF-PI-2016-04*. Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2016-04>

Tribal Plan (ACF-118a)

- ◆ The CCDF Plan outlines how CCDF funds and programs will be administered to meet legislative requirements, federal regulations, and program instructions and guidelines.
- ◆ The CCDF Plan is now effective for **3 years**.

CHILD CARE AND DEVELOPMENT FUND
for
TRIBE: _____

FFY 2017-2019

This Plan describes the CCDF program to be administered by the Tribe for the period 10/1/2016 - 9/30/2019. As provided for in the applicable statute and regulations, the Tribal Lead Agency has the flexibility to modify this program at any time, including amending the options selected or described herein.

For purposes of simplicity and clarity, the specific provisions printed herein of applicable laws and regulations are sometimes paraphrased, if, or omitted and incorporate quotations from, the full text. The Tribal Lead Agency acknowledges its responsibility to adhere to them regardless of these modifications.

Public reporting burden for this collection of information is estimated to average 130 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

(Form ACF 118-A; OMB Approval Number: XXXX-XXXX, expires XX/XX/XXXX)

Source: Child Care and Development Fund, 45 C.F.R. § 98.81 (2016).

CCDF Plan and Allocation Size

- ◆ CCDF Plans are submitted through the Office of Child Care Regional Offices.
 - **Medium and large** allocation grantees are required to submit the full tribal CCDF Plan.
 - **Small allocation** grantees will submit an abbreviated plan.

CHILD CARE AND DEVELOPMENT FUND
for
TRIBE: _____
FFY 2017-2019

This Plan describes the CCDF program to be administered by the Tribe for the period 9/1/2016 – 8/31/2019. As provided for in the applicable statutes and regulations, the Tribal Lead Agency has the flexibility to modify the program at any time, including amending the options selected or described herein.

For purposes of simplicity and clarity, the specific provisions printed herein of applicable laws and regulations are sometimes paraphrased or, as necessary and appropriate, omitted from the full text. The Tribal Lead Agency acknowledges its responsibility to adhere to them regardless of these modifications.

Public reporting burden for this collection of information is estimated to average 100 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

(Form ACF 118-A; OMB Approval Number: XXXX-XXXX, expires XX/XX/XXXX)

Source: Child Care and Development Fund, 45 C.F.R. § 98.81 (2016).

Child Count Declaration

- ◆ Child Count Declaration certifies the number of Indian children younger than 13 years who reside on or near the Tribe's service area.
- ◆ The AI/AN Lead Agency *may not* count any child who is included in the child count of another CCDF Tribal Lead Agency.
- ◆ Child Count is now due **every 3 years** with the CCDF Plan (no longer due annually).



Source: Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2016). *FY 2017-2019 tribal plan preprint (Program instruction: CCDF-ACF-PI-2016-03)*. Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2016-03>

Next Steps

Plan Approved

“Determine the basic usage and priorities for the expenditure of CCDF funds.”

Budget

Implementation

Monitoring

Source: Child Care and Development Fund, 45 C.F.R. § 98.11 (2016).



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Subpart G: Financial Management



Availability of Funds

- ◆ AI/AN CCDF grants are composed of federal **discretionary** and **mandatory** funds.
- ◆ **No tribal match** is required to receive and use these funds.



CCDF funds are available to AI/AN Lead Agencies each year soon after October 1 (the beginning of the federal fiscal year).

Source: Child Care and Development Fund, 45 C.F.R. § 98.60 (2016).

Availability of Funds

- ◆ The following **obligation and liquidation** provisions apply to Tribal Discretionary and Tribal Mandatory Funds:
 - After funds are awarded, AI/AN CCDF grantees have 2 years to **obligate** funds and an additional year to **liquidate** funds.



Source: Child Care and Development Fund, 45 C.F.R. § 98.60 (2016).

Allotments From the Discretionary Fund (CFDA 93.575)

- ◆ **Not less than two percent** of the amount appropriated for the CCDBG shall be reserved for AI/AN CCDF grantees.
 - The Administration for Children and Families increased the Tribal CCDF Discretionary set-aside from 2 percent to 2.5 percent for FY 2015, and to 2.75 percent for FY 2016 and FY 2017.

Source: Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67, 530 (Sept. 30, 2016) (codified at 45 C.F.R. pt. 98).

Source: Child Care and Development Fund, 45 C.F.R. § 98.61 (2016).

Allotments From the Discretionary Fund

Per Child
Amount

Base Amount

Discretionary
Targeted Funds

- ◆ Per child amount is based on the Child Count submitted by the AI/AN CCDF grantee.
- ◆ The base amount increased to **\$30,000** for grantees with at least 50 children younger than 13 years. A pro-rated amount is provided for grantees with fewer than 50 children who apply as part of a consortium.
- ◆ In the past, annual appropriations law required AI/AN grantees to specified amounts of CCDF funds for school-age care and resource and referral. FY 2015 was the last year for these targeted funds.

Source: Child Care and Development Fund, 45 C.F.R. § 98.61 (2016).



Allotments From the Mandatory Fund (CFDA 93.596)

- ◆ **Up to 2 percent** of the amount appropriated under section 418(a)(3) of the Social Security Act shall be allocated for AI/AN CCDF grantees.
 - Note: In Alaska, only the 13 entities defined by the Alaska Native Claims Settlement Act may receive mandatory funds.

Source: Child Care and Development Fund, 45 C.F.R. § 98.62 (2016).

Allotments From the Mandatory Fund



Per Child Amount

- ◆ Tribal mandatory funds include a per child amount that is based on the Child Count submitted by the AI/AN CCDF grantee.

Source: Child Care and Development Fund, 45 C.F.R. § 98.62 (2016).

Allotment and Redistribution

- ◆ Tribal discretionary funds are subject to reallocation.
- ◆ Each year, the AI/AN grantee shall report to the secretary either the dollar amount from the previous year's grant that it will be unable to obligate by the end of the obligation period or that all funds will be obligated during such time. Such report shall be postmarked by April 1.
- ◆ Based on the reallocation reports submitted by AI/AN grantees, the secretary will reallocate tribal discretionary funds among the other AI/AN grantees.



Source: Child Care and Development Fund, 45 C.F.R. § 98.64 (2016).

Audits and Financial Reporting

- ◆ **Audits:** “Each Lead Agency shall have an audit conducted after the close of each program period in accordance with **45 CFR part 75, subpart F** and Single Audit Act.”
- ◆ **Financial reporting:** “Tribal Lead Agencies shall submit financial reports annually.”

Source: Child Care and Development Fund, 45 C.F.R. § 98.65 (2016).



Audits

- ◆ The Final Rule requires that an audit is conducted after the **close of each program period**.
- ◆ **Subgrantees** are required to be audited in accordance with audit requirements.
- ◆ Within 30 days of completion, AI/AN grantees must **submit a copy of the audit report** to the tribal council, U.S. Department of Health and Human Services inspector general for audit services, as well as to their cognizant agency, if applicable.
- ◆ Lead Agencies shall **provide access** to appropriate books, documents, papers, and records.
- ◆ The audit shall be conducted by an agency that is **independent** of the Tribe or a public accountant who meets independent standards.

Source: Child Care and Development Fund, 45 C.F.R. § 98.65 (2016).

Financial Reporting

- ◆ **Annual** financial reporting is required for all AI/AN grantees, except those receiving CCDF funds through a P.L. 102–477 consolidation plan.
- ◆ Financial reporting is completed via the ***ACF-696T: A Financial Reporting Form for CCDF Tribal Lead Agencies.***
- ◆ AI/AN grantees are required to use the ACF-696T to report expenditures for the tribal mandatory, discretionary, and construction and renovation funds issued under CCDF.



Source: Child Care and Development Fund, 45 C.F.R. § 98.65 (2016).

Source: Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2017). *Form ACF-696T—a financial reporting form for Child Care and Development Fund (CCDF) tribal lead agencies (Program instruction: CCDF-ACF-2017-05)*. Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2017-05>

Financial Reporting

- ◆ AI/AN Lead Agencies must submit separate annual reports for each fiscal year during which CCDF funds were awarded.
- ◆ AI/AN Lead Agencies must submit their ACF-696Ts electronically through Online Data Collection (OLDC).



Electronically submitted forms must be received by the Administration for Children and Families within 90 days after the end of the Federal Fiscal Year (September 29th + 90 days = **December 29th**).

Source: Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2017). *Form ACF-696T—a financial reporting form for Child Care and Development Fund (CCDF) tribal lead agencies* (Program instruction: CCDF-ACF-2017-05) Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2017-05>

Financial Reporting

- ◆ The ACF-696T tracks CCDF expenditures in the following categories:
 - Child care services (#4);
 - Child care administration (#5);
 - Non-direct services (#6);
 - Quality activities (#7); and
 - Construction/renovation (#8).

Source: Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2017). *Form ACF-696T—a financial reporting form for Child Care and Development Fund (CCDF) tribal lead agencies* (Program instruction: CCDF-ACF-2017-05) Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2017-05>



Disallowance Procedures



- ◆ “Any expenditures not made in accordance with the CCDBG Act, the implementing regulations, or the approved CCDF Plan, will be subject to disallowance.”
- ◆ If expenditures are determined to be disallowed as the result of an audit or a review:
 - The Lead Agency shall fulfill the provisions of the disallowance notice and repay any amounts improperly expended; OR
 - The Lead Agency may appeal the finding by requesting reconsideration.

Source: Child Care and Development Fund, 45 C.F.R. § 98.66 (2016).

Fiscal Requirements

- ◆ AI/AN Lead Agencies shall expend and account for CCDF funds in accordance with their own laws and procedures for expending and accounting for their own funds.
- ◆ Contracts that entail the expenditure of CCDF funds shall comply with the laws and procedures.
- ◆ Fiscal control and accounting procedures shall be sufficient to permit:
 - Preparation of required reports; and
 - The tracing of funds to a level of expenditure adequate to establish that funds have not been used in violation of the provisions of the Final Rule.



Source: Child Care and Development Fund, 45 C.F.R. § 98.67 (2016).

Program Integrity

- ◆ AI/AN Lead Agencies are required to describe the following in their plans:
 - **Internal controls** that are in place to ensure integrity and accountability, which includes processes to ensure sound fiscal management;
 - Processes that are in place to **identify fraud** or other program violations;
 - Processes that are in place to **investigate and recover fraudulent payments** and impose sanctions in response to fraud; and
 - Procedures that are in place for **documenting and verifying** that children receiving assistance meet eligibility criteria at the time of eligibility determination and re-determination.

Source: Child Care and Development Fund, 45 C.F.R. § 98.68 (2016).



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Subpart F: Use of CCDF Funds



Child Care Services

- ◆ Applies to medium and large allocations.
- ◆ Direct child care services shall be provided:
 - to eligible children;
 - using a sliding fee scale; and
 - based on priorities specified in the Final Rule (children with special needs, which may include any vulnerable populations as defined by the Lead Agency, and children experiencing homelessness).
- ◆ Services are to be provided in alignment with parental choice provisions of the Final Rule:
 - The parent or parents of each CCDF eligible child who receives assistance shall be offered the choice to enroll the child with an eligible child care provider who has a grant or contract for such services; OR
 - To receive a child care certificate (large allocations only).

Source: Child Care and Development Fund, 45 C.F.R. § 98.50 (2016).

Child Care Services: Quality Set-Aside

- ◆ Applies to all allocations.

Quality Spending	FFY 2017	FFY 2018	FFY 2019	FFY 2020	FFY 2021	FFY 2022 (and ongoing)
% Quality Set-Aside (All)	4%	7%	7%	8%	8%	9%
% Infant-Toddler Set-Aside (Medium and Large)	0%	0%	3%	3%	3%	3%
Total % Quality (Small)	4%	7%	7%	8%	8%	9%
Total % Quality (Medium and Large)	4%	7%	10%	11%	11%	12%

Source: Child Care and Development Fund, 45 C.F.R. § 98.83 (2016).



Services for Children Experiencing Homelessness

- ◆ Applies to medium and large allocations.
- ◆ Lead Agencies shall expend funds on activities that improve access to quality child care services for children experiencing homelessness, including the following:
 - The use of procedures to **permit enrollment** (after an initial eligibility determination) of children experiencing homelessness **while required documentation is obtained**;
 - **Training and technical assistance** for providers and appropriate Lead Agency (or designated entity) staff on identifying and serving children experiencing homelessness and their families; and
 - **Specific outreach** to families experiencing homelessness.

Source: Child Care and Development Fund, 45 C.F.R. § 98.51 (2016).

Child Care Resource and Referral System

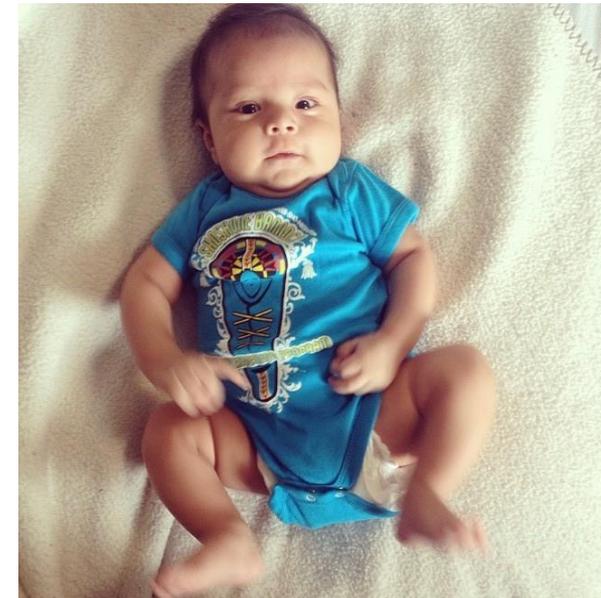
- ◆ A Lead Agency may (but it is not required to) expend funds to establish or support a system of local or regional child care resource and referral organizations.

Source: Child Care and Development Fund, 45 C.F.R. § 98.52 (2016).



Activities to Improve the Quality of Care

- ◆ Applies to all allocations.
- ◆ Quality funds must be used to carry out **at least one** of the following:
 - Training and professional development;
 - Early learning and development guidelines;
 - Tiered quality rating and improvement system;
 - Quality and supply of infant/toddler services;
 - Child care resource and referral services;
 - Licensing and health and safety requirements;
 - Quality evaluation;
 - Accreditation;
 - High-quality program standards; and
 - Other measurable quality activities as determined by the AI/AN Lead Agency.



Source: Child Care and Development Fund, 45 C.F.R. § 98.53 (2016).

Administrative Costs

- ◆ Applies to all allocations.
- ◆ No more than **15 percent** of the aggregate CCDF funds expended from each year's allotment may be used for administrative costs.

NOTE: Amounts used for construction and major renovation are not considered administrative costs.

NOTE: Discretionary base amount (\$30,000) is not subject to the administrative limitation and is excluded from the calculation.



Source: Child Care and Development Fund, 45 C.F.R. § 98.83 (2016).

Restricted Use of CCDF Funds



- ◆ Applies to all allocations.
- ◆ Funds are not to be used for school tuition for children in grades 1 through 12.
- ◆ CCDF funds paid to providers through grants or contracts may not be used for any sectarian purposes.
 - Funds provided through child care certificates may be expended for sectarian purposes.
- ◆ CCDF Funds may not be used as the non-Federal share for other Federal grant programs [unless explicitly authorized by statute].

Source: Child Care and Development Fund, 45 C.F.R. § 98.56 (2016).

Construction and Renovation of Child Care Facilities

- ◆ AI/AN Lead Agencies may use CCDF funds to make payments for construction or major renovation costs of child care facilities.
- ◆ AI/AN Lead Agencies, including 102-477 grantees, must first request and receive approval before using CCDF funds for construction or major renovation.
- ◆ Requests shall be made in accordance with uniform procedures established by program instruction.



Source: Child Care and Development Fund, 45 C.F.R. § 98.84 (2016).

Construction and Renovation of Child Care Facilities

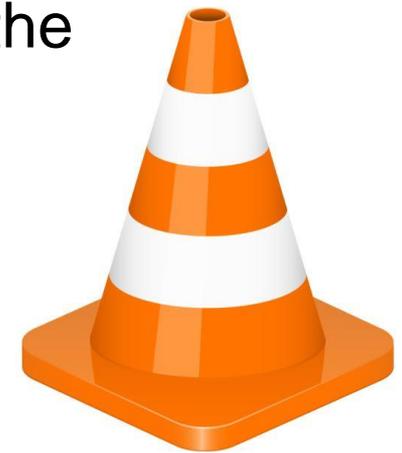
- ◆ Construction: Building of a child care facility that does not currently exist.
- ◆ Major renovation: Structural changes (e.g., foundation, roof, floor, exterior or loadbearing walls of a facility, extension of a facility to increase floor area.)

- Separate application required.
- These are NOT additional CCDF funds.
- This applies to construction and “major” renovation; not “minor” renovation. Minor renovation does not require an application for construction and major renovation.

Source: Child Care and Development Fund, 45 C.F.R. § 98.84 (2016).

Construction and Renovation of Child Care Facilities

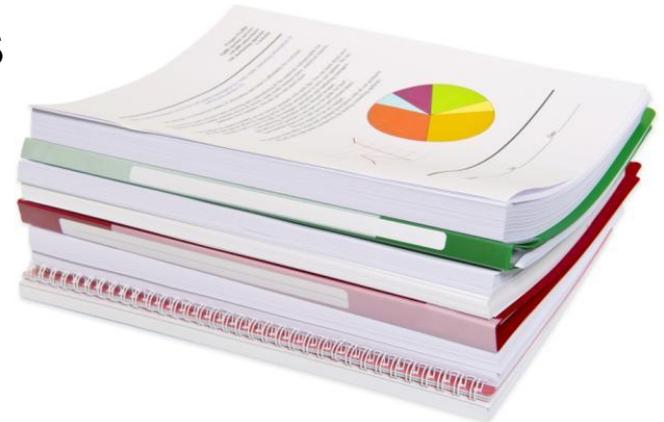
- ◆ To be approved, a request shall demonstrate that:
 - adequate facilities are not otherwise available;
 - the lack of such facilities will inhibit the operation of child care programs in the future; and
 - the use of funds for construction or major renovation will not result in a decrease in the level of child care services provided (this can be waived if the decrease is temporary and the grantee demonstrates that construction or renovation will increase services and quality).



Source: Child Care and Development Fund, 45 C.F.R. § 98.84 (2016).

Cost Allocation

- ◆ Applies to all allocations.
- ◆ The Lead Agency and subgrantees shall keep on file cost allocation plans or indirect cost agreements, as appropriate, that have been amended to include costs allocated to CCDF.
- ◆ Subgrantees that do not already have a negotiated indirect rate with the federal government should prepare and keep on file cost allocation plans or indirect cost agreements, as appropriate.
- ◆ Approval of the cost allocation plans or indirect cost agreements is not specifically required but these plans and agreements are subject to review.



Source: Child Care and Development Fund, 45 C.F.R. § 98.57 (2016).



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Training and Technical Assistance Resources



CCDF Final Rule Resources

- ◆ [CCDF Final Rule](#) (Federal Register)
- ◆ [CCDF Final Rule Tribal Fact Sheet](#)
(Office of Child Care, 2016)
- ◆ [Child Care 2016 Final Regulations Overview Webinar for Tribes](#) (Office of Child Care, 2016)

Financial Management and Data Reporting: Existing Resources

◆ National Centers

- [National Center on Child Care Data and Reporting](#) (NCDR)
- [National Center on Tribal Early Childhood Development](#) (NCTECD)
- [National Center on Program Management and Fiscal Operations](#) (NCPMFO)

◆ Resources

- [American Indian and Alaska Native Child Care and Development Fund: A Guide for New Administrators](#) (NCTECD, 2017)
- [Overview of Reporting Requirements for Tribes](#) (Office of Child Care, 2016)
- [Tribal Annual Report: Guide for CCDF Tribal Lead Agencies \(ACF-700 Help Guide\)](#) (NCDR, 2017)
- [Child Care Data Tracker](#) (NCDR, 2014)
- [Tribal CCDF Guide to Financial Management, Grants Administration and Program Accountability](#) (Administration for Children and Families, 2012)

Program Instructions

Number	Description
Program Instruction: CCDF-ACF-2017-05 October 11, 2017	This Program Instruction is a reminder to CCDF Tribal Lead Agencies of the annual financial reporting requirements (i.e., ACF-696T), consistent with the terms and conditions of the CCDF program.
Program Instruction: CCDF-ACF-2017-04 October 11, 2017	This Program Instruction is a reminder to Tribal Lead Agencies of the CCDF annual reporting requirements (i.e., ACF-700), consistent with the terms and conditions of the CCDF program.
Program Instruction: CCDF-ACF-2016-05 December 6, 2016	This program instruction is to provide procedures for requests from Tribal Lead Agencies to use CCDF monies for construction or major renovation of child care facilities.
Program Instruction: CCDF-ACF-2016-04 June 14, 2016	This program instruction is to provide information on the procedures to consolidate the Child Care and Development Fund (CCDF) program with other employment and training funding sources under a Pub. L. 102-477 Plan.



Contact Us

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 - Newsletter: <http://eepurl.com/cs6Osv>

- ◆ National Center on Child Care Data and Reporting
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