



National Center on Tribal Early Childhood Development

Introduction to Fiscal Management for New Administrators

Office of Child Care's 2018 American Indian and
Alaska Native Regional Conference



Agenda

- ◆ Overview of Child Care and Development Fund (CCDF) funding and grant awards
- ◆ Requirements for the use of CCDF funds
- ◆ CCDF financial management and reporting requirements





National Center on Tribal Early Childhood Development

Overview of CCDF Funding and Grant Awards

CCDF 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 CCDF grantees each year soon after October 1 (the beginning of the federal fiscal year).

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

Child Count Declaration

- ◆ The child count declaration is submitted with the CCDF Plan every **3 years** (no longer annually).
- ◆ The child count declaration certifies the number of Indian children younger than 13 years who reside on or near the tribe's service area.
- ◆ The tribal Lead Agency *may not* count any child who is included in the child count of another tribal Lead Agency.



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>



Discretionary Funds for AI/AN CCDF Grantees

No less than 2 percent of the amount appropriated for the Child Care and Development Block Grant.

- ◆ The Administration for Children and Families (ACF) increased the tribal CCDF discretionary set-aside from 2 percent to 2.5 percent for fiscal year (FY) 2015, and to 2.75 percent for FY 2016, FY 2017, and 2018.
- ◆ FY 2018 also included an additional \$157 million specifically for AI/AN grantees.

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**

- ◆ The 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 prorated amount is provided for grantees with fewer than 50 children who apply as part of a consortium.
- ◆ Unlike prior fiscal years, FY2018 does not include targeted funds for school-age/resource and referral.

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



Mandatory Funds for AI/AN CCDF Grantees

Up to 2 percent of the amount appropriated under section 418(a)(4) 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.

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

Allotments from the Mandatory Fund



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

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

FY 2018 Funding for AI/AN CCDF Grantees

Mandatory Funds	Discretionary Funds (total base and per-child amounts)	Discretionary Base	Discretionary Per-Child	Total FY 2018 CCDF Funding for AI/AN Grantees
\$58,340,000	\$300,495,000	\$13,506,000	\$286,989,000	\$358,835,000



2% set-aside from mandatory funds for AI/AN grantees



2.75% set-aside from discretionary funds for AI/AN grantees
 + Additional \$156,780,000 in discretionary funds specifically for AI/AN grantees



Total CCDF funding for AI/AN grantees in FY 2018 (**more than double** FY 2017 funding)

Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2018). *FY 2018 CCDF tribal allocations*. Retrieved from <https://www.acf.hhs.gov/occ/resource/fy-2018-ccdf-tribal-allocations>

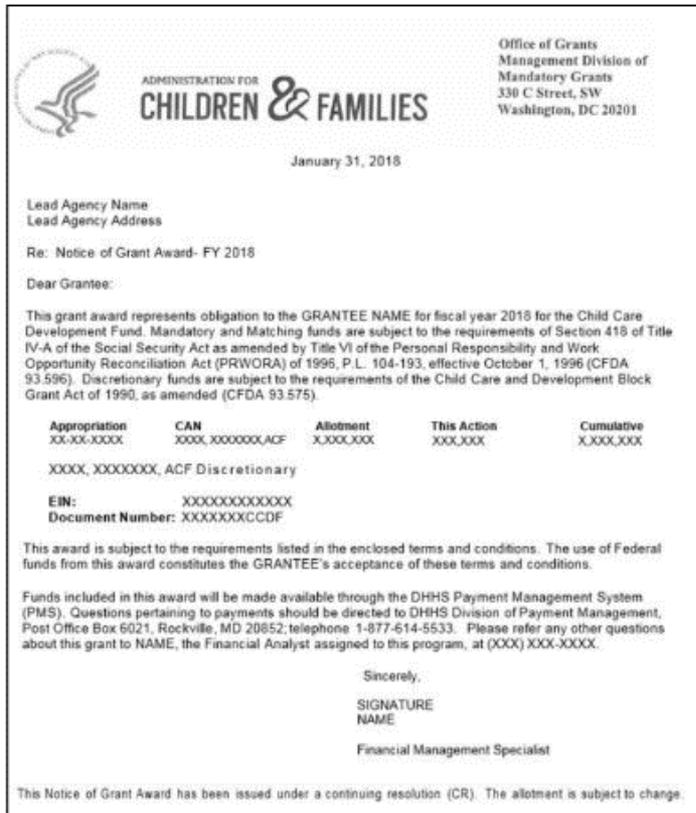
FY 2018 Funding for AI/AN CCDF Grantees (continued)

CCDF allocations are available on the Office of Child Care website:

<https://www.acf.hhs.gov/occ/resource/fy-2018-ccdf-tribal-allocations>



CCDF Funding Award



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

ADMINISTRATION FOR
CHILDREN & FAMILIES

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,XXXXXXXXACF	X,XXX,XXX	XXX,XXX	X,XXX,XXX
XXXX, XXXXXXXX, ACF Discretionary				

EIN: XXXXXXXXXXXXX
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.

- ◆ Funds are awarded through a “notice of grant award” letter by the beginning of each fiscal year (October 1).
- ◆ By accepting the grant award, AI/AN CCDF grantees agree to comply with the CCDF terms and conditions.

Activity





Questions to Consider

- ◆ How do you strategize around translating your CCDF funding into a budget?
- ◆ Who is involved in this process?
- ◆ Is your budget aligned with your current CCDF Plan?



Obligation and Liquidation

- ◆ **Obligate:** To commit CCDF funds; for example, through a legally binding agreement, purchase order, contract, or subgrant
- ◆ **Liquidate:** To expend CCDF funds (that is, the payment of funds to a third party as a result of an obligation)

Child Care and Development Fund, 45 C.F.R. § 98.2 (2016).

Obligation and Liquidation Requirements

AI/AN CCDF grantees have 2 years to obligate funds and an additional year to liquidate funds.



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

Obligation and Liquidation Periods

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Fiscal year (FY)	10/1/15 to 9/30/16	10/1/16 to 9/30/17	10/1/17 to 9/30/18	10/1/18 to 9/30/19	10/1/19 to 9/30/20	10/1/20 to 9/30/21	10/1/21 to 9/30/22
FY2016	Funds available	Obligate by 9/30/17	Liquidate by 9/30/18				
FY2017		Funds available	Obligate by 9/30/18	Liquidate by 9/30/19			
FY 2018			Funds available	Obligate by 9/30/19	Liquidate by 9/30/20		
FY 2019				Funds available	Obligate by 9/30/20	Liquidate by 9/30/21	
FY 2020					Funds available	Obligate by 9/30/21	Liquidate by 9/30/22

Allotment and Redistribution

- ◆ AI/AN CCDF grantees must report to the Secretary of Health and Human Services if they are unable to obligate all of their funds the prior year.
- ◆ Based on the reallocation reports submitted by AI/AN grantees, the Secretary will reallocate tribal discretionary funds among the other AI/AN grantees.

For FY 2018 funds, this report must be postmarked by April 1, 2019.



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

Sharing



Questions and Answers





National Center on Tribal Early Childhood Development

Use of CCDF Funds

Restricted Use of CCDF Funds



- ◆ Applies to all allocations.
- ◆ Funds cannot 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 nonfederal share for other federal grant programs (unless explicitly authorized by statute).

Child Care and Development Fund, 45 C.F.R. § 98.56 (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: The discretionary base amount (\$30,000) is not subject to the administrative limitation and is excluded from the calculation.

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





Direct Child Care Services

- ◆ Applies to medium and large allocations.
- ◆ Direct child care services must 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.

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

Quality Set-Aside

- ◆ Applies to all allocations.

Quality Spending	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 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%

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

Sharing



- ◆ What are your current quality improvement plans?
- ◆ Do you plan to add or remove quality activities?
- ◆ What are you using to support your quality activities?

Construction and Renovation of Child Care Facilities

- ◆ AI/AN Lead Agencies may use CCDF funds to make payments for construction or major renovation costs for 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.



Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2016). *Procedures for requests from tribal lead agencies to use Child Care and Development Fund (CCDF) funds for construction or major renovation of child care facilities* (Program Instruction CCDF-ACF-PI-2016-05). Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2016-05>

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



Nondirect Services

Nondirect services are child care program costs that are not direct services to families, that are not quality or construction expenditures, and that are not considered administrative costs under the CCDF regulations.



National Center on Tribal Early Childhood Development

Fiscal Management and Reporting Requirements

Fiscal Requirements

- ◆ Any expenditures not made in accordance with the Child Care and Development Block Grant (CCDBG) Act, the implementing regulations, or the approved CCDF Plan will be subject to **disallowance**.
- ◆ Tribal 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.
- ◆ Tribal Lead Agencies must describe in their CCDF plan the internal controls that are in place to ensure **integrity and accountability**.
- ◆ Tribal Lead Agencies must meet **audit and reporting requirements**.

Child Care and Development Fund, 45 C.F.R. §§ 98.60, 98.64, 98.66, 98.67, 98.68 (2016).

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 grantee will fulfill the provisions of the disallowance notice and repay any amounts improperly expended, OR
 - the grantee may appeal the finding by requesting reconsideration.



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



Program Integrity

AI/AN CCDF grantees are required to describe the following in their CCDF 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
- ◆ Procedures that are in place for **documenting and verifying** that children receiving assistance meet eligibility criteria at the time of eligibility determination and redetermination

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

Audits and Financial Reporting

- ◆ **Audits:** AI/AN CCDF grantees must have an audit conducted after the close of each program period, as outlined in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*.
- ◆ **Financial reporting (696-T):** AI/AN CCDF grantees must submit financial reports annually.

Child Care and Development Fund, 45 C.F.R. § 98.65 § 98.70 (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, and ACF.
- ◆ Lead Agencies must **provide access** to appropriate books, documents, papers, and records.
- ◆ The audit must be conducted by an agency that is **independent** of the tribe or a public accountant who meets independent standards.

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

Sharing



What are your current internal audit processes within your CCDF program?

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 **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.



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>

ACF-696T

- ◆ AI/AN CCDF grantees must submit separate annual reports for each fiscal year during which CCDF funds were awarded.
- ◆ AI/AN CCDF grantees 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 fiscal year (September 29th + 90 days = **December 29th**).

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>

ACF-696T (continued)

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)
- ◆ Construction/renovation (#8)

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>



Activity: ACF-696T Reporting

CHILD CARE AND DEVELOPMENT FUND ACF-696T FINANCIAL REPORT					
TRIBE:	FISCAL YEAR GRANT WAS AWARDED:		GRANT DOC. #(S):		SUBMISSION (MARK ONE BOX)
	EXPENDITURE PERIOD: 10/1/_____ TO 9/30/_____		FINAL REPORT: YES () NO ()		ORIGINAL () REVISED ()
CUMULATIVE FISCAL YEAR TOTALS					
	COLUMN (A) TRIBAL MANDATORY FUNDS	COLUMN (B) DISCRETIONARY FUNDS (NOT INCLUDING BASE)	COLUMN (C) DISCRETIONARY FUNDS BASE AMOUNT	COLUMN (D) CONST. & RENOVATION TRIBAL MANDATORY	COLUMN (E) CONST. & RENOVATION DISCRETIONARY
1. FEDERAL FUNDS AWARDED	\$	\$	\$		
2. TRANSFER TO CONSTRUCTION / RENOVATION	\$	\$	\$		
3. TOTAL FUNDS AVAILABLE	\$	\$	\$	\$	\$
4. EXPENDITURES FOR CHILD CARE SERVICES	\$	\$	\$	\$	\$
5. EXPENDITURES FOR CHILD CARE ADMINISTRATION	\$	\$	\$	\$	\$
6. EXPENDITURES FOR NON-DIRECT SERVICES (INCLUDING SYSTEMS, CERTIFICATE PROGRAM, AND ELIGIBILITY DETERMINATION CASES)	\$	\$	\$	\$	\$
7. EXPENDITURES FOR QUALITY ACTIVITIES	\$	\$	\$	\$	\$
8. EXPENDITURES FOR CONSTRUCTION / RENOVATION				\$	\$
9. TOTAL FEDERAL EXPENDITURES	\$	\$	\$	\$	\$
10. TOTAL FEDERAL UNLIQUIDATED OBLIGATIONS	\$	\$	\$	\$	\$
11. TOTAL FEDERAL UNOBLIGATED BALANCE	\$	\$	\$	\$	\$
REALLOTTED FUNDS					
PLEASE REFER TO REALLOTTED FUNDS INFORMATION IN THE INSTRUCTIONS.					
IF AVAILABLE, DOES THE TRIBE REQUEST REALLOTTED DISCRETIONARY FUNDS ? YES () NO () .					
IF THIS REPORT IS NOT RECEIVED WITHIN 90 DAYS AFTER THE END OF THE FISCAL YEAR (10/29), THE TRIBE WILL NOT BE ELIGIBLE FOR REALLOTMENT.					
THIS IS TO CERTIFY THAT THE INFORMATION REPORTED ON ALL PARTS OF THIS FORM IS ACCURATE AND TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.					
THIS ALSO CERTIFIES THAT THE TRIBAL LEAD AGENCY HAS EXPENDED REQUIRED FUNDS THAT ARE TARGETED FOR CHILD CARE RESOURCE AND REFERRAL AND SCHOOL-AGE CARE ACTIVITIES.					
SIGNATURE: TRIBAL OFFICIAL		TYPED NAME, TITLE, LEAD AGENCY NAME, PHONE #, FAX #			
DATE SUBMITTED:		OMB CONTROL NO. 6578-0135			

- ◆ Tribe name
- ◆ Fiscal year reporting
- ◆ 1st year
- ◆ 2nd year
- ◆ 3rd year

Activity: ACF-696T Form

Funds

- ◆ \$201,511 mandatory funds
- ◆ \$1,017,829 discretionary funds (total base and per child amounts)
 - \$30,000 discretionary base amount
 - \$987,829 discretionary per child
- ◆ Total FY funding = \$1,219,340

Expenditures

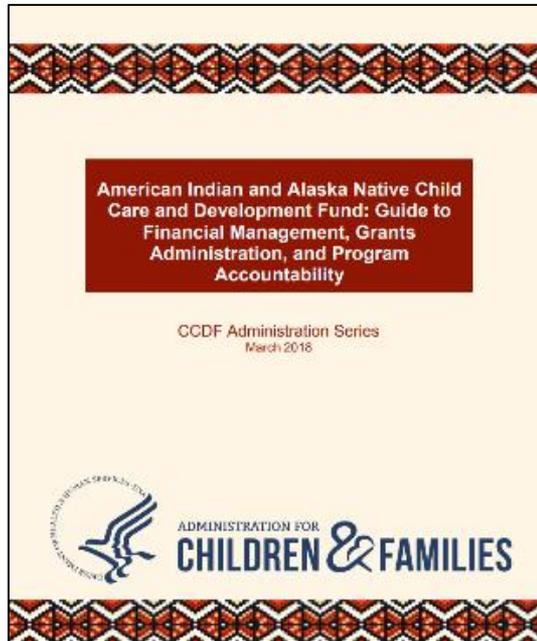
- ◆ Personnel: CCDF Administrator: \$50,000
- ◆ Training for providers: \$5,000
- ◆ Personnel: billing clerk: \$16,000
- ◆ Supports for providers to meet health and safety standards: \$15,000
- ◆ Indirect costs: \$11,500
- ◆ Repair and maintenance: \$10,500
- ◆ Office supplies for tribally operated center: \$500
- ◆ Operating classroom supplies: \$1,500
- ◆ Subsidy for child care services (certificates or vouchers): \$250,000

Program Instructions

Number	Description
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-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-PI-2017-06 December 12, 2017	This program instruction provides information on Electronic Submission of Real Property Standard Form (SF)-429 and attachments.

Resource Spotlight

[American Indian and Alaska Native Child Care and Development Fund: Guide to Financial Management, Grants Administration, and Program Accountability](#)





National Center on Tribal Early Childhood Development

Next:

Introduction to ACF-700 Reporting
and Data Tracker for New
Administrators

Networking Break

