

<h1>ACF</h1> <p>Administration for Children and Families</p>	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration on Children, Youth and Families	
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	3. Originating Offices: Children's Bureau and Office of Grants Management	
	4. Key Words: Title IV-E Programs Quarterly Financial Report, Form CB-496; Cost Neutrality Limit (CNL), Demonstration Projects, Federal Medical Assistance Percentage (FMAP) rate; Federal Financial Participation (FFP); and On-Line Data Collection (OLDC)	

PROGRAM INSTRUCTION

TO: State, Tribal and Territorial Agencies Administering or Supervising the Administration of Title IV-E of the Social Security Act, Indian Tribes, Tribal Organizations and Tribal Consortia (Tribes).

SUBJECT: Approval of a revised form for reporting quarterly financial information on the title IV-E Foster Care, Adoption Assistance and Guardianship Assistance Programs.

LEGAL AND RELATED REFERENCES: Title IV-E of the Social Security Act (the Act); 45 CFR 201.5; ACYF-CB-PI-10-14 dated November 23, 2010; Child and Family Services Improvement and Innovation Act (Public Law (P.L.) 112-34); Action Transmittal No. OGM-AT-13-01 dated September 25, 2013

PURPOSE: The purpose of this Program Instruction (PI) is to provide State, Territorial and Tribal title IV-E agencies (hereafter, "title IV-E agencies") with the revised CB-496 form and instructions approved by the Office of Management and Budget (OMB) for reporting quarterly financial information on the title IV-E Foster Care, Adoption Assistance and Guardianship Assistance Programs.

BACKGROUND: The title IV-E Foster Care, Adoption Assistance and Guardianship Assistance Programs are funded based on quarterly financial reports submitted by title IV-E agencies containing program estimate and expenditure information. The U.S. Office of Management and Budget (OMB) approved the CB-496 financial reporting form for these programs in 2010 for a three-year period (see ACYF-CB-PI-10-14 dated November 23, 2010). As part of the 2013 request to OMB for renewal of form CB-496, as required by the Paperwork Reduction Act, the Administration for Children and Families (ACF) reviewed the form and instructions to determine any need for revisions to reflect changes in the statute or in program operations. We also issued two *Federal Register* Notices (dated November 23, 2012 (77 FR 70165 et seq.) and June 18, 2013 (78 FR 36551 et seq.)) seeking comments from the public on the reporting form and the proposed revisions.

INFORMATION: Revised Reporting Form

The revised title IV-E quarterly financial reporting form, designated as Form CB-496. “Title IV-E Programs Quarterly Financial Report,” has been approved by OMB for use for a three-year period and will become effective with current quarter claiming periods in Federal Fiscal Year (FFY) 2014. The revised Form CB-496 is applicable to all title IV-E agencies and follows the same format as the prior version of the reporting form. With the approval and implementation of the revised reporting form announced in this Program Instruction, the prior version of the form and the instructions are no longer applicable. The revised Form CB-496 collects some additional information needed to administer the programs covered and provides more comprehensive instructions for form completion. Although a few minor changes have been made to the form and instructions for Parts 1 and 2, the most significant changes have been made to Part 3 – Demonstration Projects. This portion of the form is used only by title IV-E agencies approved for child welfare waiver demonstration projects authorized by section 1130 of the Social Security Act.

Public Law 112-34, the Child and Family Services Improvement and Innovation Act renewed the authority of the U.S. Department of Health and Human Services (HHS) to approve new child welfare demonstrations under Section 1130. The law authorized HHS to approve up to ten additional child welfare waiver demonstration projects in each of FFYs 2012 - 2014. (See ACYF-CB-IM-12-05, dated May 14, 2012, for more information on requirements for such projects.) In working with states applying for new demonstrations, ACF determined that the scope and fiscal design of many new projects differ from those of projects approved in earlier time periods. ACF determined that that we needed to revise and expand Part 3 of the Form CB-496 to facilitate accurate and more comprehensive reporting of demonstration project expenditures.

Overview of Changes in Form CB-496:

Part 1, Section D – Average Monthly Number of Children Assisted Clarifications

The “Children Assisted” component (section D) of Form CB-496, Part 1 remains unchanged from the previously approved version of the form. The instructions, however, have been enhanced to clarify that children on whose behalf costs are reported on Part 3 as part of a demonstration project are to be included on appropriate lines. This clarification is particularly important for title IV-E agencies where a demonstration project is implemented in all or most of the agency’s geographical jurisdictions. Some title IV-E agencies have not been completing all of the “Children Assisted” reporting lines or appear to be reporting partial data. If there is a problem preventing any or full reporting, a title IV-E agency must attach an explanation of the issue along with an indication of the corrective action it is taking to address the issue.

Part 2 - Reporting of Prior Quarter Adjustments

Part 2 of Form CB-496 provides for the delineation of individual prior quarter adjustments reported in Part 1 (in a summary manner) on this form. The Part 2 form and instructions have been revised to provide specific guidance on the completion of column E which is designated to collect information identifying and explaining reported adjustments. These instructions now require that an identifying entry be made in this column for all adjustments and note circumstances where specific types of adjustments require more detailed information or documentation. The instructions also clarify that Part 2 must include only those Part 3 prior quarter adjustments for which funding is available (excluding those placed in the holding account) and are thus transferred to Part 1 of this report.

Part 3 - Reporting of Demonstration Project Expenses

As previously noted, the most extensive changes to Form CB-496 are in Part 3, the section used only by title IV-E agencies operating child welfare waiver demonstrations. Highlights of the changes in Part 3 include:

- The heading of Part 3 is expanded to identify project approval date, title IV-E programs involved (including the possibility of a Guardianship Assistance project), applicable cost neutrality limit (CNL) method; and applicable funding categories. Collection of this information guides how the remainder of Part 3 of the report is completed.
- If more than one demonstration project is approved for implementation by a IV-E agency (i.e. separate signed terms and conditions), a separate Part 3 is to be completed for each project.
- Separate subsections are provided under each section for reporting based on the CNL method (Experimental Design or Capped Allocation) identified for the reported project.
- The CNL calculations for Experimental Design Projects subsections are performed using Federal share amounts, while the CNL calculations for Capped Allocation Designs are based on total computable amounts. This approach follows the specifications contained in all demonstration project terms and conditions approved since FY 2012, as well as most active projects with an earlier approval date. ACF staff will work directly with any title IV-E agency whose approved project terms and conditions do not match the reporting form approach to the calculation of CNL to assure proper reporting.
- Costs are reported in three general project activity designations: Developmental, Evaluation and Operations.
- Project developmental and evaluation costs, neither of which is considered for CNL purposes, are now reported on separate lines, based on separate approval requirements. (These categories were previously reported together on one line.)
- Control/comparison group costs for a project using an Experimental Design CNL are no longer reported in Part 3. (These costs were previously reported in both Parts 1 and 3.)

- Project Operations costs are to be reported under the funding categories applicable to the specific project. For example, if the report heading is checked to identify that the project includes consideration of maintenance assistance payments and administration, all project operations costs must be reported on those lines in the proper subsection based on the selected CNL method. It should be noted that some projects will include all such amounts for the title IV-E agency, while others may be limited to only certain jurisdictions served by the IV-E agency.
- Project operations costs within each funding category are to be further broken out by those that would be “Title IV-E” claimable without consideration of waivers granted and “Project Interventions and Other Waiver Based Expenditures” (expenditures that would not be title IV-E allowable in the absence of the waiver) in each funding category. Cost reporting for operation of the demonstration project thus identifies amounts both for ongoing operation of the existing title IV-E plan and the additional costs associated with providing specific services delineated or authorized through the demonstration project.
- The reporting of “Project Interventions and Other Waiver Based Expenditures” is permitted in each of the applicable funding categories. This option thus provides maximum flexibility to utilize FFP at varying match rates, as available within the CNL, to fund project operations.
- Cost neutrality and savings/available funding status by funding category are identified separately. This information permits a clear identification of the project’s fiscal performance and the extent that Federal and IV-E agency matching funds each comprise the total project costs as well as the estimated level of each needed to expend any savings/available funding.

SUBMISSION:

In accordance with Federal regulations and the Terms and Conditions that accompany these programs, Form CB-496 must be received by ACF from each state or tribal title IV-E agency by the 30th day of the month following the end of each fiscal quarter. These forms are required to be submitted electronically through the ACF On-Line Data Collection (OLDC) system. Once submitted electronically, no additional paper copy is to be submitted, either by mail, by fax or by email.

A state or tribe may request a one-year waiver from the electronic reporting requirement if it can demonstrate a lack of internet access, computer capacity or other circumstance that prevents electronic filing of Form CB-496. If a waiver is approved, a signed paper copy of Form CB-496 should be submitted to: Administration for Children and Families, Office of Grants Management Division of Mandatory Grants, Att’n: Title IV-E Programs, 370 L’Enfant Promenade, SW – 6th Floor East, Washington, DC 20447. An additional paper copy must be sent to the ACF Regional Grants Officer.

Further information concerning the implementation of required electronic submission of financial reporting forms for ACF programs can be found in the initial *Federal Register* Notice dated June 28, 2013 (78 FR 38989 et seq.) and the final *Federal Register* Notice dated October 1, 2013 (78 FR 60285 et seq.).

Further information concerning waiver requests can be found in Office of Grants Management Action Transmittal No. OGM-AT-13-01 dated September 25, 2013.

We anticipate that the revised and updated version of Part 3 of Form CB-496 will be fully operational in OLDC for States to submit expenditure reports for the 1st quarter, FY 2014, due no later than January 30, 2014 and will advise of any delays in that schedule. In the interim, a completed Excel version of revised Part 3 should be uploaded as an attachment in OLDC.

EFFECTIVE DATE:

Title IV-E agencies are to begin using the revised attached Form CB-496 for FY 2014, to report program expenditures for the 1st quarter, FY 2014 (quarter ending December 31, 2013) and to report program estimates for the 3rd quarter, FY 2014 (quarter ending June 30, 2014). The first submission of the revised report is due no later than January 30, 2014. Either the revised or the previous version of Form CB-496 may be used to report demonstration project expenditures on Part 3 for the 4th quarter, FY 2013 (quarter ended September 30, 2013) and to report program estimates for the 2nd quarter, FY 2014 (ending March 31, 2014). That submission was due on October 30, 2013.

INQUIRIES TO:

Children's Bureau Regional Program Managers or ACF Regional Grants Officers

/s/

Mark Greenberg
Acting Commissioner
Administration on Children, Youth
and Families

/s/

Robert Noonan
Deputy Assistant Secretary for Administration

ATTACHMENTS

Attachment A – Children’s Bureau Child Welfare Regional Program Managers and ACF Regional Grants Officers

Attachment B - Copy of the Form CB-496

Attachment C - Instructions to complete Form CB-496