SUPPLEMENTAL TERMS and CONDITIONS

The **General Terms and Conditions** apply to all mandatory grant programs, which for the purposes of this document includes formula and block grants, and can be found at https://www.acf.hhs.gov/grants/mandatory-formula-block-and-entitlement-grants. These Supplemental Terms and Conditions are additional requirements applicable to the program named below.

By acceptance of awards for this program, the Lead Agency agrees to comply with the requirements included in both the General and Supplemental Terms and Conditions for this program. Failure to comply with these terms and conditions may result in the loss of Federal funds and may be considered grounds for the suspension or termination of this grant.

Administration for Children and Families
Office of Child Care (OCC)

CHILD CARE AND DEVELOPMENT BLOCK GRANT

Assistance Listing No. 93.575

CHILD CARE MANDATORY AND MATCHING FUNDS of the CHILD CARE AND DEVELOPMENT FUND

Assistance Listing No. 93.596

APPLICABLE LEGISLATION, STATUTE, REGULATION

1. The administration of these programs is based on:
   - Statutory requirements at **Part A of Title IV** of the Social Security Act, specifically **section 418** (42 USC § 618).
   - The "Child Care and Development Block Grant Act of 1990," as amended. (42 USC § 9857 *et seq.*).
   - Provisions of the current approved CCDF State, Territory, or Tribal plan, as applicable, including all approved amendments or revisions.

2. The following Federal regulations are applicable to these programs:
   - **45 CFR Part 98** – "Child Care and Development Fund".
   - **45 CFR Part 99** – "Procedure for Hearings for the Child Care and Development Fund".

3. In accordance with 45 CFR §75.101(d), only limited portions of Federal regulations at 45 CFR Part 75 are applicable to the CCDF programs.
   - **Subpart A**, "Acronyms and Definitions," remains applicable
   - **Subpart B**, "General Provisions," remains applicable
   - **Subpart C**, "Pre-Award Requirements," **Not Applicable** except §75.202 remains applicable to the Federal awarding agency.
   - **Subpart D**, "Post-Award Requirements" **Not Applicable** except §§75.351-.353 remain applicable.
   - **Subpart E**, "Cost Principles." **Not Applicable** in its entirety, except as noted under 45 CFR §98.84.
   - **Subpart F**, "Audit Requirements," remains applicable.

4. In accordance with 45 CFR 87.2(b), the provisions of Federal regulations at **45 CFR Part 87**, in their entirety,

are **not applicable** to the CCDF programs.

5. Additional applicable regulations and requirements can be found in the General Terms and Conditions for Mandatory: Formula, Block and Entitlement Grants.

COST SHARING OR MATCHING (NON-FEDERAL SHARE) OF PROGRAM FUNDING

States and Territories

6. For States and Territories, Mandatory funds for this program are awarded with a **100 percent** Federal Financial Participation (FFP) rate for program costs, which means non-Federal share of mandatory program funding is not required for this program (i.e., there is not State match required). For the purposes of this paragraph, "Territories" refers to Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands.

7. For States and Territories, Discretionary funds for this program for State and Territorial grantees are awarded with a **100 percent** FFP rate for program costs. A non-Federal share of discretionary program funding is not required for this program. Discretionary funds must be used to supplement, not supplant, State and Territorial funds for child care assistance for low income families. For the purposes of this paragraph, "States" refers to the 50 States, District of Columbia; and Puerto Rico; "Territories" refers to Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands.

8. For States only, Matching funds are available for this program under the following circumstances:
   - the grantee obligates all of its Mandatory funds by the end of the Federal fiscal year (FFY)[1] in which it was awarded;
   - the grantee expends its own, non-Federal share of funds in an amount that equals the Maintenance of Effort (MOE) threshold for allowable child care activities;
   - matching (Federal share) funds for this program for State grantees are awarded at the current **Federal Medical Assistance Percentage (FMAP) rate** only for expenditures for allowable child care activities in excess of the MOE threshold; and
   - the matching amounts available in grant year (GY)[2] 2021 and GY 2022 that are in excess of amounts allotted to the state in GY 2020 shall be administered as if the Federal medical assistance percentage for the year were **100 percent** (see allocation tables published at https://www.acf.hhs.gov/occ for matching amounts); and
   - for Matching funds, "States" refers to the 50 States and District of Columbia.

Tribes

9. For Tribes, Mandatory and Discretionary funds for this program are awarded with a **100 percent** FFP rate for program costs. A non-Federal share of mandatory and discretionary program funding is not required for this program.

10. For Tribes, Matching funds does not apply.

FINANCIAL REPORTING AND REQUIREMENTS

11. Federal funds awarded under these grants must be expended for the purposes for which they were awarded.

12. Each grantee's fiscal and accounting procedures must be sufficient to permit the preparation of required reports and the tracing of expenditures to a level necessary to establish that Federal funds have not been used in violation of the provisions of 45 CFR Part 98 and the terms and conditions.

[1] Federal Fiscal Year (FFY) refers to the period from October 1 through September 30, during which states, territories, and tribes may spend federal funds awarded in the current and prior years.

[2] Grant Year (GY) refers to the year the funds were awarded, although states, territories, and tribes may liquidate some CCDF funding streams in later fiscal years.

13. Administrative cost cap and spending requirements per quality spending requirements at 658G of the CCDBG Act (42 USC 9858e; 45 CFR 98.53) and direct services spending requirements at 658E(c)(3)(D) and (E) of the CCDBG Act (42 USC 9858c(3)(D) and (E)); 45 CFR 98.50(f) and (g)).

- **States and Territories**, administrative costs cannot exceed 5 percent of the total, aggregate of Federal and non-Federal shares for each GY. This includes any amount transferred to CCDF from Temporary Assistance for Needy Families (TANF).

  a) The table below shows the minimum quality expenditure requirements:

	Quality Activities	Activities to Increase the Quality of Care for Infants and Toddlers
GY 2019	8%	3%
GY 2020 and beyond	9%	3%

  b) The total expenditures of aggregate Federal funds and the amount of State matching funds are subject to the minimum quality expenditure requirements (outlined in the table above). This includes funds transferred from the TANF program into CCDF.

- **Tribes**, administrative costs cannot exceed 15 percent of the aggregate amount of Federal funds awarded for each GY. The base amount awarded as discretionary funds is not included in the calculation of the aggregate amount subject to this administrative cost cap.

  a) Tribes must spend a certain percent of the aggregate of all Federal funds expended from each GY's award on quality activities. The Discretionary base amount is not included in the expenditure total that is used to calculate the minimum spending threshold. However, when determining if a Tribe has met its threshold at the end of the liquidation period, Tribes will receive credit for any quality expenditures made from the base amount. The table below shows the minimum quality expenditure requirements.

  b) Starting in GY 2019, Tribes with medium allocations (receiving between $250,000 and $1 million in CCDF allocation FY 2016) and large allocations (receiving greater than $1 million in CCDF allocation in FY 2016) must spend not less than 3 percent of the aggregate of all Federal funds expended from each GY's award on activities to improve quality of child care services for infants and toddlers. The table below shows the minimum quality expenditure requirements:

	Quality Activities (All Tribes)	Activities to Increase the Quality of Care for Infants and Toddlers (Tribes with medium and large allocations)
GY 2019	7%	3%
GY 2020	8%	3%
GY 2021	8%	3%
GY 2022 and beyond	9%	3%

14. Funding (Project) Period/Obligation Deadlines and Liquidation Deadlines. The funding (project) period and the obligation period are synonymous. For all grantees, the obligated Federal funds awarded under these grants must be liquidated no later than 1 year following the end of the obligation deadline, except where stated otherwise.

States and Territories

- For States only, Mandatory funds are **available until expended** without an obligation or liquidation deadline, *unless* the State has received and expended Matching funds for the same FFY. In that case, Mandatory funds must be obligated by September 30 of the current FFY and there is no specific liquidation deadline. While there is no liquidation requirement for Mandatory funds, in accordance with federal law, grant funds must be drawn down from the Payment Management System (PMS)

within 5 years from the year in which the funds were awarded. 31 USC 1551-1558. For the purposes of this paragraph, "States" refers to the 50 States and District of Columbia.

- For Territories only, Mandatory funds have a
  - **1-year obligation period**: starting the first day of the FFY for which these funds were awarded and ending the last day of the same FFY (i.e., October 1, FFY 1 through September 30, FFY 1).
  - **2-year liquidation period, including the 1-year obligation period**: starting the first day of the FFY for which these funds were awarded and ending the last day of the following FFY (i.e., October 1, FFY 1 through September 30, FFY 2).
  - For the purposes of this paragraph, "Territories" refers to Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands.

- For States only, Matching funds have a
  - **1-year obligation period**: starting the first day of the FFY for which these funds were awarded and ending the last day of the same FFY (i.e., October 1, FFY 1 through September 30, FFY 1).
  - **2-year liquidation period, including the 1-year obligation period**: starting the first day of the FFY for which these funds were awarded and ending the last day of the following FFY (i.e., October 1, FFY 1 through September 30, FFY 2).
  - Reported Matching fund expenditures will be disallowed if either the State Maintenance of Effort amount is not met or if the amount of awarded Mandatory funds is not obligated within the 1-year obligation period.
  - For the purposes of this paragraph, "States" refers to the 50 States and District of Columbia.

- For States and Territories, Discretionary funds have a
  - **2-year obligation period**: starting the first day of the FFY for which these funds were awarded and ending the last day of the next FFY (i.e., October 1, FFY 1 through September 30, FFY 2).
  - **3-year liquidation period, including the 2-year obligation period**: all obligated funds must be liquidated no later than September 30 of FFY 3.

	Must be Obligated by:	**Must be Liquidated by:**
State Mandatory	End of 1st federal fiscal year (for States requesting Matching Funds) *(e.g., GY 2022 funds obligated by September 30, 2022)*	No requirement to liquidate by a specific date
Territory Mandatory	End of 1st federal fiscal year *(e.g., GY 2022 funds obligated by September 30, 2022)*	End of 2nd federal fiscal year *(e.g., GY 2022 funds liquidated by September 30, 2023)*
State Matching	End of 1st federal fiscal year *(e.g., GY 2022 funds obligated by September 30, 2022)*	End of 2nd federal fiscal year *(e.g., GY 2022 funds liquidated by September 30, 2023)*
State and Territory Discretionary	End of 2nd federal fiscal year *(e.g., GY 2022 funds obligated by September 30, 2023)*	End of 3rd federal fiscal year *(e.g., GY 2022 funds liquidated by September 30, 2024)*

Tribes

- For Tribes, Mandatory and Discretionary funds have a
  - **2-year obligation period**, starting the first day of the FFY for which these funds were awarded and ending the last day of the next FFY (i.e., October 1, FFY 1 through September 30, FFY 2).
  - **3-year liquidation period, including the 2-year obligation period**: All obligated funds must be liquidated no later than September 30 of FFY 3.

	Must be Obligated by:	Must be Liquidated by:
Mandatory	End of 2nd federal fiscal year *(e.g., GY 2022 funds obligated by September 30, 2023)*	End of 3rd federal fiscal year *(e.g., GY 2022 funds liquidated by September 30, 2024)*
Discretionary	End of 2nd federal fiscal year *(e.g., GY 2022 funds obligated by September 30, 2023)*	End of 3rd federal fiscal year *(e.g., GY 2022 funds liquidated by September 30, 2024)*

15. Any Federal funds from the award not obligated by the deadlines cited above will be recouped by the Department. Per 45 CFR 98.64 and ARP Act of 2021 provisions, re-allotments and re-distributions may be made.

16. Financial Reporting Forms: OMB standard Form SF-425 is not used for this program. CCDF grantees are required to submit the following financial reporting forms in accordance with the accompanying instructions:
    - **Form ACF-696, "Child Care and Development Fund Financial Report"** Expenditure data for this program reported by States and Territories.
    - **Form ACF-696T, "Financial Reporting Form for the Child Care and Development Fund Tribal Grantees"** Expenditure data for this program reported by Tribes.

17. Submission Schedule:

    States and Territories
    - **Quarterly.** A financial report (Form ACF-696) from a State or Territory must be submitted no later than 30 days following the end of each fiscal quarter (i.e., no later than January 30, April 30, July 30 and October 30).

    Tribes
    - **Annually**. A financial report (Form ACF-696T) from a Tribe must be submitted no later than 90 days following the end of each FFY (i.e., no later than December 28).

18. Submission Methodology. The financial reports for this program must be submitted electronically through the ACF On-Line Data Collection (OLDC) system. Paper copies of these reports are no longer being accepted either by mail, by fax or as an email attachment (see ACF Office of Grants Management Action Transmittal, OGM-AT-13-01, September 25, 2013).

PROGRAM REPORTING

19. CCDF grantees are required to submit the following programmatic reports in accordance with the accompanying instructions:

    States and Territories
    - **Form ACF-118,** "State and Territory CCDF Plan." Due June 30th of every third year.
    - **Form ACF-801**, "Case Level Reporting Form." Quarterly data on this report is due 60 days after the end of each quarter; Monthly data on this report is due 90 days after the end of each month.
    - **Form ACF-800**, "Child Care and Development Fund Annual Aggregate Report." Due 90 days after the end of each FFY.
    - **Form ACF-404,** "State Improper Payments Report." Due June 30th of every third year.
    - **Form ACF-218,** "Quality Progress Report." Due 90 days after the end of each FFY.

    Tribes
    - **Form ACF-118A,** "Tribal CCDF Plan." Due June 30th of every third year.
    - **Form ACF-700**, "Child Care and Development Fund Annual Report on Services Provided." Due 90 days after the end of each FFY.

TRIBES OPERATING UNDER P.L. 102-477 PLANS

20. CCDF program funds transferred to the Bureau of Indian Affairs (BIA) on behalf of approved P.L. 102-477 Plans are not subject to the ACF-696T reporting requirement.
    - BIA is the awarding federal agency.
    - BIA awards are reported out using the approved OMB forms.
    - BIA awards can be carried forward with no obligation or liquidation periods.

21. Any non-expended CCDF funds that were awarded directly to Tribes operating under an approved P.L. 102-477 are subject to the terms and conditions herein. Specifically, this applies to prior CCDF programs funds awarded to the Tribes.

REAL PROPERTY REPORTING

States and Territories

22. Real Property Reports (SF-429s). The SF-429 Real Property forms are not applicable to this program. Purchase, construction, and renovation are not an allowable activity or expenditure under this grant.

Tribes

23. Real Property Reports (SF-429s). The SF-429 Real Property forms are applicable to this program. Construction and renovation projects are an allowable activity or expenditure under this grant. For more information, see 45 CFR §98.84 and CCDF-ACF-PI-2020-02. Purchases of real property continues to be an unallowable activity or expenditure under this grant.

EFFECTIVE PERIOD

24. These program-specific Supplemental Terms and Conditions are effective on the date shown in the margin at the bottom of the page and will remain in effect until updated. They will be updated and reissued only as needed whenever a new program-specific statute, regulation or other requirement is enacted or whenever any of the applicable existing Federal statutes, regulations, policies, procedures, or restrictions is amended, revised, altered, or repealed.

POINTS OF CONTACT

25. Points of contact for additional information or questions concerning either the operation of the program or related financial or grant matters should be directed to your assigned Grants Specialist or OCC Regional office and may be found on the Notice of Award.