



Child Care and Development Fund ACF-700 Clarifications

Technical Bulletin #12r-v3 Revised June 2023

I. INTRODUCTION

The purpose of this technical bulletin is to clarify issues related to the ACF-700 reporting requirements and to address some of the questions for which tribal grantees have sought assistance from the CARS TA Team. The Bulletin focuses on reporting requirements as defined in the [Tribal Annual Report: Guide for CCDF Tribal Lead Agencies](#).

This Bulletin will be helpful regardless of whether a tribe uses the [Child Care Data Tracker](#) software, or prepares their ACF-700 report manually or with another software program. The information is presented in a Question/Answer format in Section II. Section III describes how to obtain additional information and assistance.

The reauthorization of the Child Care and Development Block Grant Act in 2014 (CCDBG Act) and the Child Care Development Fund (CCDF) final rule provided a number of new requirements that affect the way in which tribal grantees may operate their programs. Lead Agencies should keep in mind the new requirements as they administer their programs and collect information to calculate the ACF-700 report.

II. QUESTIONS AND ANSWERS

Question 1: In addition to providing subsidies to CCDF eligible children, we also use CCDF funds to pay for some quality activities. When reporting the total number of children who receive services, should we include all children who benefit from these CCDF-funded quality activities on the ACF-700 report?

Answer: No. All of the children involved in quality activities should not necessarily be included on the ACF-700 report. Children should be counted only if they receive direct child care services funded by CCDF. They should not be counted if the CCDF grant paid for quality activities or other indirect activities, such as improving the nutritional value of lunches, training staff, or teaching reading skills in an existing program. In these cases, the CCDF grant did not pay directly for child care subsidies.

The Office of Child Care (OCC) prefers that you only report children served with CCDF funds on the ACF-700 annual report. However, please keep in mind that if your program also serves children with non-CCDF funds and you are unable to determine which children were served with the CCDF funds, you have the option to report all children served on the ACF-700 report regardless of the source of their subsidy. If you combine CCDF funding with other non-CCDF funds and

report the larger population of children, indicate so on question 1a (ii) of the *Introduction: Program Characteristics* section of the ACF-700 report.

Question 2: We run our own child care center(s) and do not technically “pay” a provider. How should tribes report subsidies in these circumstances?

Answer: Amounts spent on the provision of child care services in the Tribally-Operated Center (TOC) should be reported in the average monthly subsidy per child (data element #6a on the ACF-700).

Tribes that operate their own center can estimate the average monthly subsidy per child using the record of expenditures that is submitted annually on the required ACF-696T Tribal Financial Report. For additional TOC guidance, see the latest version of Technical Bulletin #14 on the [Technical Bulletin](#) page on the OCC website.

Calculation to estimate the average monthly subsidy per child:

Add the tribal Mandatory, Discretionary, and Discretionary Funds Base Amount expenditures (*note including expenditures for construction and renovation*) that your tribe reported on Line 4 of the ACF-696T – *Expenditures for Child Care Services*. During the fiscal year, if you expended funds from more than one grant year, you must add the appropriate expenditures from each of the reports submitted regardless of the year in which the grant was awarded.

1. First, divide the above total by the number of months that you provided services during the year (ranging from 1 to 12 months) to get an overall monthly subsidy amount.
2. Then calculate the average number of children served per month by adding the number of children served each month and dividing the total number of children by the number of months you served children throughout the year (ranging from 1 to 12 months).
3. Finally, divide the monthly subsidy amount (calculated in #1) by the average number of children served per month (calculated in #2) to estimate the average monthly subsidy per child in your center.

Question 3: If a tribe uses a variety of care types (e.g. family home, contracted center, and their own Tribally-operated center), how should we report the subsidy amount?

Answer: Effective with the FY2020 ACF-700 report, you no longer have to calculate monthly averages for each type of care. Detailed instructions for calculating the average subsidy per child per month when a program supports families with a Tribally-Operated Center and other provider types are included in the [Tribal Annual Report: Guide for CCDF Tribal Lead Agencies](#). Additional details are also included in Technical Bulletin #14, available on the [Technical Bulletin](#) page on the OCC website.

Question 4: Because co-payments are made directly to the providers, tribes don't always know whether or not the co-payment is actually made. How should we report this?

Answer: You should report the co-payment that has been defined and assigned by the program without regard to whether it is actually paid.

Tribal lead agencies should encourage the providers to collect co-payments, not only because parental contributions to the cost of child care are required by law, but also because the co-payment helps ensure that providers receive fair-market value for the services they deliver. Note that as of FY2020 reporting, grantees no longer have to report the average co-payment by type of care. The requirement is to report an overall average co-payment per child per month for all care types.

Question 5: My program is a medium- to large-sized grantee (allocation of \$250,000 or more). Often, our families' incomes increase or decrease during the course of their eligibility period. Can their corresponding co-payment also change? How should tribes report co-payment on the annual ACF-700 report?

Answer: Because you are a medium or large-sized grantee, the regulations now specify that you cannot increase a family's established copayment during their eligibility period (effective October 1, 2019). However, tribes should track all data, including co-payments, on a monthly basis. While you can't increase a family's co-payment, any decreasing co-payments should be reflected in the monthly numbers that serve as the basis for annual calculations.

Question 6: We are a small tribal grantee with an allocation of less than \$250,000. Is it true that I no longer have to report the ACF-700 annual report?

Answer: No. All tribal grantees, with the exception of 102-477 grantees, are required to report the ACF-700 report, which has four parts. If you are a small allocation grantee whose request to only provide quality activities and NOT direct services was approved, you are not required to report *Part 1: Administrative Data* section. However, you are still required to report the *Introduction: Program Characteristics*, *Part 2: Tribal Narrative*, and *Part 3: American Rescue Plan (ARP) Act Stabilization Grants* of the ACF-700 report.

Question 7: We are a small tribal grantee with an allocation of less than \$250,000. How should a small allocation tribe report co-payment on the annual ACF-700 report when incomes and the resulting co-payments may increase and/or decrease throughout the year?

Answer: As a small-allocation grantee, you are exempt from the regulation that prohibits co-payment increases during an eligibility period. Therefore, you decide whether to increase a family's co-payment based on changes to their income. As a result, your program should track all data, including co-payments, monthly. Thus, changing co-payments will be reflected in the monthly numbers that serve as the basis for annual calculations.

Question 8: How should tribes deal with data elements for subsidy, hours, and child's age, each of which may change during the year? What numbers should we use when we make calculations for our annual report?

Answer: Subsidy and hours calculations should reflect the average monthly amounts appropriate for each child. The child's age (data element #3) should reflect information as of the end date of the federal fiscal year for which the report is being generated. If a child leaves the program part way through the year, the information should reflect accurate information as of the date the child left the program. A reminder: Tribes with medium or large allocations must limit the reporting requirements if a family's information changes in accordance with CCDF regulations at 45 CFR 98.21(e).

Question 9: A child's living situation may formally change in the middle of a report period. This is a permanent change in where and/or with whom the child resides. We have re-determined eligibility, and the child continues to be served by our program. How should we report these families/children on the ACF-700 report?

Answer: The way in which you report the families and children on the ACF-700 report depends upon how their living situation changes. For example:

Scenario 1: One or more siblings were living with one parent/guardian. For whatever reason, the parent/guardian can no longer care for the children, and all of the children now live with another parent/guardian. For reporting purposes, the family should be counted only once on the ACF-700 report. Each of the children should also be counted only once. The most recent reason for care, along with any updated information if available (such as copay, payment type, etc.), should be used for this family in calculating the ACF-700 report.

Scenario 2: Several children were living with one parent/guardian. One of the children has since left this living situation and now lives with a different custodial parent/guardian. For reporting purposes, two families should be counted on the ACF-700 report. Each of the children should be included on the ACF-700 report only once in each appropriate row. If the child received services in more than one care type, they should be counted in each appropriate care type category. The appropriate reasons for care, along with any updated information if available (such as copay, payment type, etc.), for each of the families should be used in calculating the ACF-700 report.

Note: Lead Agencies have flexibility in determining whether or not a child changing families during the eligibility period requires a new eligibility determination prior to the next scheduled redetermination.

Question 10: When reporting a family's reason for care, we have situations that do not fit any of the four allowed options (working, training/education, protective services or working/training), nor has our program implemented categorical eligibility. For example, we consider job search as an approved reason to receive subsidized care. We also provide

subsidies in cases of medical emergency when the parent is temporarily unable to care for the children. What should we do to accurately report these kinds of situations?

Answer: All families should be categorized on the ACF-700 report according to one of these five allowed options for data element #4. Therefore, , all eligible children must either 1) reside with a parent who is working (element #4a), 2) reside with a parent who is in training or educational program (element #4b), 3) receive or need to receive Protective Services (element #4c), 4) reside with a parent who is working and in a training or educational program (element #4d), or 5) the tribe has been approved to use categorical eligibility and employment or training status is not an eligibility criterion (element #4e).

NOTE: If the tribe has been approved to use categorical eligibility because their Tribal Median Income is below the level established by the Secretary (currently 85% of State Median Income), then Indian children in the tribe's service area would be considered eligible regardless of the family's income, work, or training status. The ACF-700 report has also been updated to allow the tribe to report the number of children served while operating under categorical eligibility (#4e). The ACF-700 report has also been modified to include the combination reason working/education (#4d).

Tribes have some degree of flexibility in their CCDF Plans to define certain terminology related to eligibility. For example, some tribes define “working” to include limited periods of job search. In their *Tribal Plan*, tribes should document the definitions of eligibility criteria that they include in each of the eligibility options. These definitions are then subject to review and approval by OCC. All families must be included in one of the five legislatively-defined eligibility options. On the ACF-700 report, this reason for care information is captured as a count of children, therefore numbers in data element #4a-e must add up to the total number of children served (data element #2).

Question 11: We serve several children from the same family, all of whom are in Protective Services. Should we count the children as one family unit or count each child separately?

Answer: If the reason for eligibility is Protective Services, then each child should be reported separately as his/her own family with a family size of one (1).

Reason for eligibility is what should determine how to report children in a family. If the family is eligible to receive subsidized services because they are working and meet income limits, the reason for care would be “work,” and each child in the family should be reported as a family member along with all of his/her siblings.

In the case where a family is eligible because they are working, **and** the children are also in Protective Services, the tribe may choose to report the children either as members of the eligible family, or report each child as an independent “family” with a family size of one.

Question 12: Our tribe operates and collects data from several child care programs at different sites, much like tribal consortia do. How should we combine the data from the programs to produce one annual ACF-700 form?

Answer: The CARS team has developed an Excel spreadsheet that allows tribes to combine monthly ACF-700 data from several sites. Tribes may contact the CARS team to obtain this tool, as well as receive additional information about combining and preparing data from multiple sources for submission of the ACF-700 data report. You can find the [contact information for the CARS team](#) on the last page of this document.

Question 13: When we enter the number of children served in each type of care (data elements #2a-2e), they don't add up to the total figure for element #2,. Why does this occur?

Answer: Children may be served in more than one type of care, either concurrently or consecutively, during the fiscal year. When this happens, the child is counted in each type of care. Element #2 is an unduplicated count of the total number of children served regardless of how many types of care they receive. Elements #2a – #2e may add up to a figure that is higher than Element #2. However, the total of elements #2a through #2e should never be less than Element #2.

Question 14: We calculate different co-payment amounts for each child in the family, based on the child's age and needs. How do we calculate average parent co-payments in this situation?

Answer: Even though the ACF-700 requests "parent" co-payment, you must calculate this figure on a "per child" basis. Regardless of whether you have a "family" co-payment or co-payments assigned to each child, you calculate the average monthly total co-payment amount that parents pay per child. Effective with the FY2020 ACF-700 report, programs are no longer required to report co-payment per care type. Programs are only required to report the overall average. The individual child or family co-payments can be used to get an average for all children in total (Element #6b). The [Tribal Annual Report Guide](#) contains detailed instruction for calculating co-payments.

NOTE: If you are using the *Child Care Data Tracker* software, these figures will be calculated automatically when you enter the total monthly co-payment for each family.

Question 15: Our tribe uses contracts to establish a team of child care service providers that are available to the children in eligible families. Not all of these contracted providers maintain records on the families and children they serve. How should we report families in these circumstances?

Answer: OCC guidance directs grantees to gather information on all children that are

being served totally or partially with CCDF funds. Maintaining adequate records and providing required data should be a condition for providers to participate in the subsidy system. Some tribal grantees require participating providers (even those receiving vouchers) to sign an agreement setting forth their reporting obligations.

Question 16: Our tribe has not awarded ARP stabilization grants to providers. On the ACF-700 report, can I skip *Part 3: American Rescue Plan (ARP) Act Stabilization Grants*?

Answer: No. If your tribe has not awarded stabilization grants to providers with ARP funding Part 3 of the report must still be completed. You may enter zeros (0) as applicable in the data fields, but the section should not be submitted blank.

Question 17: Which providers are included in Part 3, Element 5?

Answer: Only providers who received ARP Stabilization Grants should be included in Part 3. If the provider delivered services to children reported in Part 1 of the ACF-700, but did NOT receive an ARP award, they should not be included in this section.

Question 18: What do we record for Part 3, Elements 6a-6e if we are unsure how the providers used their grants?

Answer 3: For Elements 6a-6e, the **intended** use of the grants should be recorded. What the provider recorded in their application as their planned use of funds should be reported in this section. This does not have to reflect how the providers actually used their awards after receiving the funds.

III. WHERE TO GET ADDITIONAL INFORMATION AND ASSISTANCE

If you have additional questions or need more information, there are two primary resources where you can obtain help – your Regional Office Child Care Program Manager, and the CARS (Childcare Automated Reporting System) TA Team.

The Office of Child Care (OCC) is represented by staff in each of the ten administrative regions across the country. OCC Program Managers can help you with programmatic and policy questions. Contact information for the **Regional Offices** can be found on the OCC website at:

<https://www.acf.hhs.gov/occ/resource/regional-child-care-program-managers>.

The CARS team works with OCC to provide technical assistance to all of the tribal, territory, and state CCDF grantees with matters related to the required CCDF data reporting. You can reach the CARS TA Team by:

Phone (toll-free): 1-877-249-9117 or

E-mail: CARS@acf.hhs.gov