



## **INSTRUCTIONS FOR COMPLETION OF FORM OCSE-396A CHILD SUPPORT ENFORCEMENT PROGRAM EXPENDITURE REPORT**

**Paperwork Act Notice.** This information collection is mandatory. The information collected on this form is required under Title IV-D (Section 455) of the Social Security Act (42 USC 655). The Office of Child Support Enforcement uses this information to calculate and issue quarterly Federal grant awards and annual incentive payments to the State agencies administering the Child Support Enforcement Program. This is considered public information and is published in an annual report of statistical and financial data available to the public. States are not required to use this form if it does not include a currently valid OMB Control Number.

**Reporting Burden Notice.** The reporting burden imposed by the collection of information required by this report is estimated to be 8 hours per response. This includes time for reviewing instructions, searching data sources, gathering and maintaining the data needed and completing and reviewing the information reported.

All States are required to complete and submit this report in accordance with these instructions on behalf of the State agency administering the Child Support Enforcement Program under title IV-D of the Social Security Act.

The Administration for Children and Families operates and maintains an On-Line Data Collection (OLDC) system available to every State to submit this information electronically. Although not required, each State is strongly encouraged to use the OLDC system, which requires pre-registration and the use of an approved digital signature.

If a State elects to submit data electronically, the preparation and submittal of a paper copy ***is not required***. Regardless of the submission methodology, all deadlines and other requirements included in these instructions remain applicable.

**Due Dates:** Form OCSE-396A must be submitted quarterly within 30 days of the end of each fiscal quarter, i.e., no later than January 30, April 30, July 30 and October 30, respectively.

**Revisions:** If the State needs to change or correct its submission of Form OCSE-396A after the original copy is submitted by the due date indicated above, a revised report may be submitted. However, a revised report will not be accepted after the expenditures reported in the original submission have been used in the calculation of a quarterly grant award<sup>1</sup> - usually within 90 days after the end of the "current quarter." Any additional claims or other adjustments that must be reported after that time must be included as a "prior quarter adjustment" on a subsequent expenditure report, within the limits of any time constraints imposed by law or regulation. Revisions to the "next quarter" estimates will be accepted only in extraordinary circumstances. <sup>1</sup>(**Note:** An exception to this restriction will be made where a delay in the reporting of an increasing adjustment will cause the claim to be filed beyond the two-year filing deadline under Section 1132 of the Social Security Act.)

**No re-submissions, revisions or adjustments of expenditure reports submitted for any quarter of the fiscal year will be accepted by OCSE later than December 31 - 3 months after the end of the fiscal year.**

**Only data received by OCSE by that date will be used in the calculation of incentive payments and in the publication of statistical data.**

**Distribution:** *If the State elects to submit a paper copy*, a copy with original signatures must be sent to:

Administration for Children and Families  
Office of Grants Management  
Division of Mandatory Grants  
Att'n: Child Support Enforcement  
370 L'Enfant Promenade, SW - 6<sup>th</sup> Floor East  
Washington, DC 20447

An additional copy must be sent to the ACF Regional Grants Officer.

**General Instructions:**

- Round all entries to the nearest dollar; omit cents.
- Enter the State name.
- Enter the ending date of the current quarter and the ending date of the next quarter.
- Check box to indicate whether this is a new report or a revision of a report previously submitted for the same period.

**Note:**

- The "current quarter" is the quarter just ended, for which expenditures are being reported and for which Federal funds are being claimed in Cols. A and B.
- The "next quarter" is the quarter about to begin for which the amount of expenditures and Federal funding is being estimated in Col. E.
- The ending date of the "next quarter" is always six months after the ending date of the "current quarter." For example, if the current quarter is Quarter 1, the next quarter will be Quarter 3, etc.

**PART 1: QUARTERLY REPORT OF EXPENDITURES and ESTIMATES**

**Column Instructions:**

- ***Expenditures (Cols. A, B, C & D).*** Under the requirements of 45 CFR 304.25(a), expenditures are actual payments made to vendors, service providers and contractors or for administrative, personnel, or other cost items. Include also indirect costs allocable to the quarter being reported in accordance with an approved cost allocation plan. To be allowable, all expenditures must be in accordance with the approved title IV-D State Plan and all applicable statutes, regulations and policies. For this reporting form the terms "expenditure" and "cost" are used interchangeably.

Expenditure estimates are not acceptable in these columns. "Advances" of funds to another State agency, a local agency or a private entity are not considered expenditures for these purposes. The amounts reported in these columns must be actual, verifiable transactions supported by readily available accounting records and source documentation or an approved cost allocation plan, as applicable.

Expenditures are considered made on the date the payment occurs, regardless of the date of receipt of the good or performance of the service. For State-administered programs, the date of this transaction by the State agency governs; for locally administered programs, the date of this transaction by the county, city or other local agency governs. Indirect costs are allocable in accordance with the cost allocation plan, and are considered to be "expended" in the quarter to which they are allocated.

- **Current Quarter Claims (Cols. A and B).** Expenditures made in or allocable to the "Current Quarter" being reported.
- **Prior Quarter Adjustments (Col. C and D).** Expenditures made in or allocable to a previous quarter but which were either unreported or incorrectly reported on an earlier report. This is a "net" amount, combining individual increasing and decreasing adjustments. *(Any adjustment reported in this column must be detailed and itemized into the separate increasing and decreasing components by completing Part 2 of this report.)*
- **Estimates (Col. E).** In accordance with the provisions of Section 455(b)(1) of the Social Security Act, this is the amount of expenditures that the State anticipates will be made in the upcoming fiscal quarter (the "Next Quarter"). This estimate should be based on historical trends, including seasonal, economic or other variations, and should include any costs applicable to a prior quarter for which payments are expected to be made in the next quarter.

For this Column, the amounts entered, where applicable, on Lines 1a through 7 should be the total amount of anticipated costs for each cost category, i.e., the sum of the Federal and State shares. The amount entered on Line 9 should be the anticipated Federal Share of Collections. The estimated "Net Federal Share of Expenditures" should be entered on Line 14 (Federal share only), and constitutes the State's request for Federal funds in that amount for the upcoming quarter. The estimated "State Share of Expenditures" entered on Line 15 (State share only) is the amount that the State is guaranteeing that it has or will have available to meet its share of program expenditures.

- **Total (Cols. A and C).** All expenditures made for each cost item, including both Federal and State components.
- **Federal Share (Cols. B and D).** The Federal portion of expenditures reported on Lines 1b through 7 (Columns A or C), calculated by using the 66 percent Federal financial participation (FFP) rate. (Prior quarter adjustments included in Column D on Line 1b for laboratory costs for any quarter ending on or before September 30, 2006 remain eligible for Federal funding at the 90 percent rate and should be calculated accordingly.)

### Line-by-Line Instructions

## SECTION A. EXPENDITURES

**Line 1a. IV-D Administrative Expenditures Made Using Funds Received as Incentive Payments.** Administrative expenditures made using annual incentive payment funds. Each State is required to spend the funds it received as incentive payments to carry out title IV-D program activities. These expenditures are not eligible for Federal funding; Columns B and D on this line should remain blank (equivalent of a 0 percent FFP rate).

- ❖ *Expenditures made using these funds are exempt from the two-year claiming deadline under Section 1132 of the Social Security Act. Incentive payments remain available until completely expended.*
- ❖ *[This is a direct entry in Columns A and C. No entry in Columns B, D. No estimate entry required for Column E]*

**Line 1b. IV-D Administrative Expenditures.** Expenditures for the routine administration and operation costs of the Child Support Enforcement Program.

Include:

- Expenditures made for fees charged for use of the Child Support Network (CSNet) and Pre-Offset services;
- Prior quarter expenditures made for laboratory costs. (Prior quarter adjustments for expenditures for laboratory costs made on or before September 30, 2006, and reported in columns C and D of this line remain eligible for Federal funding at the 90 percent rate. Calculate the Federal share accordingly.)
- FMS service fees retained by the IRS for Federal tax refund offset collections.

Do Not Include:

- Expenditures made using funds received as the State's annual incentive payments. These expenditures must be reported on Line 1a;
- Expenditures for Non IV-D administrative costs reported on Line 1c;
- Expenditures for the planning, design, development, implementation, enhancement or operation of a Statewide Child Support Enforcement System (CSES) reported on Line 4, 5 or 6.
- ❖ *See "Special Reporting Instruction for Lines 9 Through 13," below.*
- ❖ *[This is a direct entry in Columns A and C. Calculate Columns B and D as 66% of the total.]*

**Line 1c. Non-IV-D Administrative Expenditures.** Expenditures for administrative costs associated with limited activity, required by law, in certain Non-IV-D cases.

Include only those amounts that can be identified as incurred directly as a result of:

- the submission to, and maintenance in, the State Case Registry of data with respect to each child support order established or modified in the State on or after October 1, 1998, in a Non-IV-D case;
- the receipt in the State Disbursement Unit of Non-IV-D collections through income withholding for child support orders, initially issued in the State on or after January 1, 1994 (as included on Line 2e of Form OCSE-34A) and the disbursement of these collections by the State Disbursement Unit; and
- the required reporting of financial and statistical information related to Non-IV-D cases to OCSE on this and other required Federal financial or statistical reports.

Do not include expenditures for any other Non-IV-D case activity, such as enforcement or maintenance of case records.

- ❖ **Note:** Non-IV-D cases are those for which there is no assignment of support rights to the State or where the State has not received an application for Title IV-D services.
- ❖ *[This is a direct entry in Columns A and C. Calculate Columns B and D as 66% of the total.]*

**Line 2a. Fees and Costs Recovered in Excess of Fees.** The total amount of income received by the State, used to offset administrative costs. Include:

- Mandatory or optional fees collected from recipients of child support enforcement services;
- Mandatory fees that the State has opted to absorb rather than collect from recipients;
- Amounts offset from collections or received directly from either the custodial or non-custodial parent; and
- Any collection fee the State has opted to charge for collection services for IV-D or non-IV-D cases that is not inconsistent with Federal law.
- Fees for laboratory paternity testing.
- ❖ *[This is a direct entry in Columns A and C. Calculate Columns B and D as 66% of the total. No estimate entry required for Column E.]*

**Line 2b. Interest Earned and Other Program Income Received.** Other income used to offset administrative costs.

Include:

- Interest or investment income earned when child support collections, fees or other program income funds are deposited in interest-bearing accounts or used in other investment-type activities;
- Undistributable child support collections reported as “abandoned property” on Line 9a of Form OCSE-34A, the “Quarterly Report of Collections;”
- As a decreasing prior quarter adjustment, any former undistributed collection previously deemed “undistributable” and escheated by the State as “abandoned property” which can now be either distributed to the custodial parent or returned to the non custodial parent. This amount must also be reported on Line 3 of Form OCSE-34A.
- Interest assessed in accordance with State law on delinquent support payments made by non-custodial parents when this interest is retained by the State and is not considered additional support owed by the non-custodial parent or forwarded to the custodial parent;
- Any other income resulting from the operation of the program and not reported on Line 2a.
- ❖ *[This is a direct entry in Columns A and C. Calculate Columns B and D as 66% of the total. No estimate entry required for Column E.]*

**Line 3. Net Administrative Costs.** The net amount of Federal funding being claimed for program administrative costs.

- ❖ *[Calculate as Lines 1a + 1b + 1c Less Lines 2a +2b.]*

**Line 4. Automated Data Processing (ADP) Expenditures for System Development Under the Terms of an Approved Advanced Planning Document (APD).** Expenditures made in accordance with the terms of an approved APD for the planning, design, development, implementation or enhancement of an automated Statewide Child Support Enforcement System (CSES). No expenditures may be claimed on this line unless approved under the APD process found at 45 CFR Part 95 Subpart F.

Do not include:

- Operation and maintenance costs reported on Line 5;
- ADP costs associated with the development, purchase or operation of non-CSES systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs reported on lines 1a, 1b or 1c, as appropriate.
  - ❖ *[This is a direct entry in Columns A, C and E. Calculate Columns B and D as 66% of the totals in Columns A and C.]*

**Line 5. Automated Data Processing (ADP) Expenditures for System Operation and Maintenance Under the Terms of an Approved Advanced Planning Document (APD).** Expenditures made in accordance with the terms of an approved APD for the operation or maintenance of an automated Statewide Child Support Enforcement System (CSES). No expenditures may be claimed on this line unless approved under the APD process found at 45 CFR Part 95 Subpart F.

Do not include:

- Planning, design, development, implementation or enhancement costs reported on Line 4;
- ADP costs associated with the development, purchase or operation of non-CSES systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs reported on lines 1a, 1b or 1c, as appropriate.
  - ❖ *[This is a direct entry in Columns A, C and E. Calculate Columns B and D as 66% of the totals in Columns A and C.]*

**Line 6. Automated Data Processing (ADP) Expenditures That Do Not Require an Advanced Planning Document.** Expenditures made for the planning, design, development, implementation, enhancement, operation or maintenance of an automated Statewide Child Support Enforcement System (CSES), for which an approved APD is no longer required. The approved APD has been closed out by OCSE in accordance with Federal requirements.

Do not include:

- ADP costs associated with operating non-CSES systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs reported on lines 1a, 1b or 1c, as appropriate.)
  - ❖ *[This is a direct entry in Columns A, C and E. Calculate Columns B and D as 66% of the totals in Columns A and C.]*

**Line 7. Total Expenditures Claimed.** This is the total amount of expenditures being reported and the portion being claimed for Federal funding.

- ❖ *[Calculated as Sum of Lines 3 through 6.]*

## SECTION B. INCENTIVE PAYMENTS / FEDERAL SHARE / FEES FOR SERVICE

**Line 8. Estimated Incentive Payments.** Enter an amount equal to approximately one-quarter of the State's estimate of its annual incentive payment. *[This is a direct entry in Column E.]*

### **SPECIAL REPORTING INSTRUCTION for LINES 9 THROUGH 13**

*Any amounts entered on Lines 9 through 13 will reduce the reported Net Federal Share of Expenditures and will also reduce a subsequent grant awarded to the State.*

*Invoices are sent each quarter to the State Title IV-D agency for fees charged for services provided by the Office of Child Support Enforcement. The amount of each of those fees is reported on Lines 10, 11 and 12 of Column B, as applicable. By doing so, the State is reimbursing OCSE for the cost of the services provided; the fees will be subtracted from the Federal share of expenditures.*

*Amounts offset by the IRS from Federal tax refunds of the non-custodial parent are forwarded to the State through the accounting services of HHS's Public Health Service (PHS) and are subsequently distributed by the State to the custodial parent. On occasion, the IRS determines that a portion of the amount offset must be returned to the non-custodial parent, and the IRS recoups this amount from the PHS. The State must then repay this amount to the PHS and may attempt to recoup the overpayment from either parent, in accordance with applicable State law and procedures and Federal policy. The amount being repaid by the State to the PHS is reported as an "Other Fee or Adjustment" on Line 13 of Column B. This line may also be used to report any other fee-for-service or other payment to the Federal government as may be needed.*

*Fees paid by a State for its use of the Child Support Enforcement Network (CSENet) or for Pre-Offset Notice services, respectively, and reported on Lines 11 and 12, are considered to be routine title IV-D administrative expenditures and should also be included on Line 1b of this report as an "Administrative Costs: IV-D." Fees paid by a State for its use of the Federal Parent Locator Service (FPLS) and repayments made by the State to PHS (see above), and reported on Lines 10 and 13, are not considered administrative expenditures and must not be included on any other line of this report. (If the State elected to make these repayments by check, no repayment amount is included on Line 13. See instructions for Line 13, below.) (FPLS fees are paid solely with State funds and are not eligible for Federal funding (Section 453(e)(2) of the Social Security Act).*

**Line 9. Federal Share of Title IV-A Collections.** The portion of child support collections used to reimburse the Federal government for its share of past assistance payments under title IV-A of the Social Security Act.

- ❖ *This is a direct entry in Column B, carried forward from Form OCSE-34A, Line 10b, Col. G]*

**Line 10. Fees for the Use of the Federal Parent Locator Service (FPLS).** The quarterly fee charged to the State by OCSE for its use of the FPLS. (Report the total amount of this fee in Column B. See Special Instruction above.)

- ❖ *[This is a direct entry in Column B, carried from a quarterly invoice sent by OCSE.]*

**Line 11. Fees for the Use of the Child Support Enforcement Network (CSENet).**

The quarterly fee charged to the State by OCSE for its use of CSENet. (Report the total amount of this fee in Column B. See Special Instruction above.)

- ❖ *[This is a direct entry in Column B, carried from a quarterly invoice sent by OCSE.]*

**Line 12. Fees for Printing/Processing Pre-Offset Notices for the Federal Tax Refund Offset Program.**

The annual fee charged to the State by OCSE for the printing and processing of OCSE-issued pre-offset notices for the Federal tax refund offset program. (Report the total amount of this fee in Column B. See Special Instruction above.)

- ❖ *[This is a direct entry in Column B, carried from a quarterly invoice sent by OCSE.]*

**Line 13. Other Fees or Adjustments.** Enter on this line any other fees that may be imposed to reduce the Federal share. Also enter the amount of a repayment to the Public Health Service for IRS tax offset collections forwarded to the State and later returned to the IRS. (If the State elected to make these repayments by check, no repayment amount should be included on this line.) This line may be completed as needed. Any entry on this line should be accompanied by an attachment providing a thorough explanation. (**Note:** If any entry on this line is for the repayment of collections received from the offset of Federal income tax refunds, such repayment must also be included as a reduction to the amount reported on Line 2a of Form OCSE-34A.)

- ❖ *[This is a direct entry in Column B, carried from a quarterly invoice sent by OCSE.]*

**Line 14. Net Federal Share of Expenditures.** The net amount of Federal funding being claimed by the State, as reduced by the Federal share of collections, fees and repayments.

- ❖ *[Cols. B and D: Calculated as Line 7 Minus Sum of Lines 9 through 13.]*
- ❖ *[Col. E: Calculated as (Line 7 x 66%) Minus Line 9]*

**Line 15. State Share of Expenditures.** The State share of expenditures to operate and administer the child support enforcement program under title IV-D.

- ❖ *[Cols. B and D: Calculated as Line 7 (Cols. A and C) Minus Line 14 (Cols. B and D)]*
- ❖ *[Col. E: Calculated as Line 7 Minus Line 14]*

**Signatures:** This report must be signed and dated at the end of Part 1 by the State Title IV-D Director, or other State official responsible for the financial administration of the child support enforcement program. Although under Federal requirements only a single signature is necessary, space is also provided for a second signature as may be required by State law, regulation or policy. Any individual(s) signing this report are certifying to the correctness and accuracy of the information here and on accompanying documents and that any amount shown as the State share of expenditures on Line 15 is or will be available to meet the non-Federal share of expenditures for the quarter indicated as prescribed by law.



## PART 2: ITEMIZED PRIOR QUARTER EXPENDITURE ADJUSTMENTS

This part must be submitted as a supplemental supporting document whenever a "Prior Quarter Adjustment" (Columns B and C) is reported in Part 1 of this form. A net adjustment reported in Part 1 may be comprised of one or more individual increasing or decreasing components. Each of those components is to be itemized and shown separately on Part 2. (This requirement remains in effect even when combined increasing and decreasing adjustments produce a net result of zero dollars for the prior quarter adjustments reported in Part 1.)

### **General Instructions:**

- Enter the State name.
- Enter the ending date of the current quarter from Part 1.
- Check the box to indicate whether this is a new report or a revision to a report previously submitted.

### **Definitions:**

**Increasing Adjustments (Section A):** Each increasing component of the net adjustments included in Part 1. (**Note:** In accordance with Section 1132 of the Social Security Act and 45 CFR 95, Subpart A, claims for increasing adjustments are unallowable unless submitted within two years of the original expenditure date, or otherwise meet one of the "exception" criteria found in the statute and regulations.)

**Decreasing Adjustments (Section B):** Each decreasing component of the net adjustments included in Part 1. The decreasing adjustments should be entered as positive numbers on this form.

**Total Adjustment (Column A):** The combined Federal/State total of each adjustment.

**Federal share of adjustment (Column B):** Determine the Federal share of each adjustment by multiplying the Total Adjustment in Column A by the FFP rate applicable to the funding category of this particular adjustment during the quarter in which it was made.

**Funding Category (Column C):** Indicate the funding category of the component(s) on each line as described at the bottom of the form.

**Applicable to Fiscal Quarter Ended (Column D):** Indicate the ending date (Month and Year) applicable to the adjustment being reported.

**Federal Audit Number (if applicable) / Other comments, explanations (Column E):** If the adjustment was the result of recommendations contained in an audit report, indicate the assigned Federal audit control number. Use this space for any other comments relevant to the adjustment, including an explanation for any increasing adjustment submitted beyond the two year claiming deadline.

**Total Increasing Adjustments (Section A) / Total Decreasing Adjustments (Section B):** The last line in each section should be the total of the entries for that section. If additional space is needed, use additional copies of this form.

**Net Adjustments.** For both Columns A and B, subtract the Total Decreasing Adjustments in Section B from the Total Increasing Adjustments in Section A. The amounts entered in Columns A and B on this line must be identical to the amounts entered in Columns C and D on Line 7 of Part 1 of this form.

**Individual Line Entries.** Each adjustment must be itemized into its applicable increasing and decreasing components and reported separately in the proper section of this part. Where a single adjustment encompasses several fiscal quarters, the portion applicable to each quarter must be itemized and reported on a separate line. If additional space is needed, use as many additional pages as necessary to properly report these items, annotating each sheet as appropriate (sheet 2 of 3, etc).

**Submittal and Revisions.** Part 2 of Form OCSE-396A is an attachment to Part 1 and, when needed to report prior quarter adjustments, should be submitted whenever an initial or revised Part 1 is submitted. A revision to this Part is subject to the same restrictions, procedures and requirements as stated for Part 1.