



## State of Louisiana

Division of Administration  
TANF Executive Office of Oversight and Evaluation

### TANF Initiatives

## Clarification on Expenditures and Federal Fiscal Year Deadlines—September 30<sup>th</sup>

#TI02-07

Under federal law, the state must commit (or “obligate”) their TANF block grant in the same federal fiscal year they receive it. The state must spend this obligation by the end of the next federal fiscal year. Louisiana fell behind in obligating these resources during the early part of welfare reform (1997-2000) and did not obligate block grants amounts in the beginning of the fiscal year it was received. **Hence, Louisiana’s must now obligate AND expend within the same fiscal year in order to maintain access to the TANF block grant. Failure to expend these funds by the federal deadline of September 30<sup>th</sup> forfeits the state’s (and by extension any state agency) access to these resources after this date.**

### Obligations of TANF Funds

TANF Initiatives are funded using federal block grant monies that come to the Department of Social Services (DSS). In order for the Department of Social Services to report these monies to the federal government as “obligated”, they must show a contractual agreement is in place by September 30<sup>th</sup> of the federal fiscal year in which they received the block grant. Failure to have contractual commitments in place by September 30<sup>th</sup> means the state (and by extension, YOU) loses access to those dollars for programmatic purposes.

#### What counts as an obligation according to federal definition for TANF?

- ✓ A contract between parties that sets forth a scope of work and the payment terms.
- ✓ An allocation to a local government (school board, city or county government) that sets forth a scope of work and the payment terms.

#### What DOES NOT count as an obligation according to federal definitions for TANF?

- ✓ MOU Agreements between state agencies (*Louisiana received a ONE-TIME waiver of this rule in 2001, MOU’s between agencies are no longer considered an obligation*)
- ✓ Inter-agency transfers to another state agency
- ✓ Contractual agreements (including MOU’s) between the any state agency and a university
- ✓ Allocations to local (parish) government units that are considered subsidiaries of state agencies—i.e. the parish office of the Department of Health and Hospitals, parish office of the Department of Social Services.

### Expenditure of TANF Funds

The September 30<sup>th</sup> deadline **APPLIES TO ALL STATE AGENCIES WHO RECEIVE TANF MONEY. ALL STATE AGENCIES WHO RECEIVE A TANF ALLOCATION MUST EXPEND (CHECK ISSUED OR CASH TRANSFER) THESE RESOURCES BY SEPTEMBER 30<sup>th</sup>. —**

#### What is considered an expenditure for the purposes of TANF?

- ✓ A check issued or cash transfer for goods and services received, nothing else.

#### What IS NOT considered an expenditure for the purposes of TANF?

- ✓ Invoices submitted by contractors—but not paid by the TANF partner agency—by September 30<sup>th</sup>
- ✓ Expenditures by local service providers not reimbursed (check paid) by TANF Partner Agency by September 30<sup>th</sup>.

#### My agency receives other federal money and we have 45 days to complete the close-out process, why is this deadline different?

- ✓ TANF Partner agencies **ARE NOT** direct recipients of federal TANF funds; they are treated like a “contractor” to DSS. Therefore, partners must be able to show all expenditures took place on or before September 30<sup>th</sup> in order to claim a reimbursement. Because DSS is **THE ONLY** direct recipient of federal TANF funds, they have a ‘close-out’ period in which to report that all program expenditures (payment of their invoices to you), took place on or before September 30<sup>th</sup>.

#### Can we receive an extension past September 30<sup>th</sup> if our contractors don’t submit their invoices on time?

- ✓ The September 30<sup>th</sup> deadline is a federal deadline, not a DSS deadline. **THERE IS NO EXTENSION OR EXCEPTION TO THIS RULE.** Any expenditure paid past September 30<sup>th</sup> and submitted for reimbursement **WILL NOT BE PAID BY DSS.**