

## PART 260—GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PROVISIONS

### Subpart A—What Provisions Generally Apply to the TANF Program?

Sec.

- 260.10 What does this part cover?  
 260.20 What is the purpose of the TANF program?  
 260.30 What definitions apply under the TANF regulations?  
 260.31 What does the term “assistance” mean?  
 260.32 What does the term “WtW cash assistance” mean?  
 260.33 When are expenditures on State or local tax credits allowable expenditures for TANF-related purposes?  
 260.34 When do the Charitable Choice provisions of TANF apply?  
 260.35 What other Federal laws apply to TANF?  
 260.40 When are these provisions in effect?

### Subpart B—What Special Provisions Apply to Victims of Domestic Violence?

- 260.50 What is the purpose of this subpart?  
 260.51 What definitions apply to this subpart?  
 260.52 What are the basic provisions of the Family Violence Option (FVO)?  
 260.54 Do States have flexibility to grant good cause domestic violence waivers?  
 260.55 What are the additional requirements for Federal recognition of good cause domestic violence waivers?  
 260.58 What penalty relief is available to a State whose failure to meet the work participation rates is attributable to providing federally recognized good cause domestic violence waivers?  
 260.59 What penalty relief is available to a State that failed to comply with the five-year limit on Federal assistance because it provided federally recognized good cause domestic violence waivers?

### Subpart C—What Special Provisions Apply to States That Were Operating Programs Under Approved Waivers?

- 260.70 What is the purpose of this subpart?  
 260.71 What definitions apply to this subpart?  
 260.72 What basic requirements must State demonstration components meet for the purpose of determining if inconsistencies exist with respect to work requirements or time limits?  
 260.73 How do existing welfare reform waivers affect the participation rates and work rules?

260.74 How do existing welfare reform waivers affect the application of the Federal time-limit provisions?

260.75 If a State is claiming a waiver inconsistency for work requirements or time limits, what must the Governor certify?

260.76 What special rules apply to States that are continuing evaluations of their waiver demonstrations?

AUTHORITY: 42 U.S.C. 601, 601 note, 603, 604, 606, 607, 608, 609, 610, 611, 619, and 1308.

SOURCE: 64 FR 17878, Apr. 12, 1999, unless otherwise noted.

### Subpart A—What Rules Generally Apply to the TANF Program?

#### § 260.10 What does this part cover?

This part includes regulatory provisions that generally apply to the Temporary Assistance for Needy Families (TANF) program.

#### § 260.20 What is the purpose of the TANF program?

The TANF program has the following four purposes:

(a) Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

(b) End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

(c) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

(d) Encourage the formation and maintenance of two-parent families.

#### § 260.30 What definitions apply under the TANF regulations?

The following definitions apply under parts 260 through 265 of this chapter:

*ACF* means the Administration for Children and Families.

*Act* means Social Security Act, unless otherwise specified.

*Adjusted State Family Assistance Grant, or adjusted SFAG*, means the SFAG amount, minus any reductions for Tribal Family Assistance Grants paid to Tribal grantees on behalf of Indian families residing in the State and any transfers to the Social Services

Block Grant or the Child Care and Development Block Grant.

*Administrative costs* has the meaning specified at § 263.0(b) of this chapter.

*Adult* means an individual who is not a “minor child,” as defined elsewhere in this section.

*AFDC* means Aid to Families with Dependent Children.

*Aid to Families with Dependent Children* means the welfare program in effect under title IV-A of prior law.

*Assistance* has the meaning specified at § 260.31.

*Basic MOE* means the expenditure of State funds that must be made in order to meet the MOE requirement at section 409(a)(7) of the Act.

*Cash assistance*, when provided to participants in the Welfare-to-Work program (WtW), has the meaning specified at § 260.32.

*CCDBG* means the Child Care and Development Block Grant Act of 1990, as amended, 42 U.S.C. 9858 *et seq.*

*CCDF* means the Child Care and Development Fund, or those child care programs and services funded either under section 418(a) of the Act or CCDBG.

*Commingled State TANF expenditures* means expenditures of State funds that are made within the TANF program and commingled with Federal TANF funds.

*Contingency fund* means Federal TANF funds available under section 403(b) of the Act, and contingency funds means the Federal monies made available to States under that section. Neither term includes any State funds expended pursuant to section 403(b).

*Contingency fund MOE* means the MOE expenditures that a State must make in order to meet the MOE requirements at sections 403(b)(6) and 409(a)(10) of the Act and subpart B of part 264 of this chapter and retain contingency funds made available to the State. The only expenditures that qualify for Contingency Fund MOE are State TANF expenditures.

*Control group* is a term relevant to continuation of a “waiver” and has the meaning specified at § 260.71.

*Countable State expenditures* has the meaning specified at § 264.0 of this chapter.

*Discretionary fund of the CCDF* refers to child care funds appropriated under the CCDBG.

*EA* means Emergency Assistance.

*Eligible State* means a State that, during the 27-month period ending with the close of the first quarter of the fiscal year, has submitted a TANF plan that we have determined is complete.

*Emergency assistance* means the program option available to States under sections 403(a)(5) and 406(e) of prior law to provide short-term assistance to needy families with children.

*Expenditure* means any amount of Federal TANF or State MOE funds that a State expends, spends, pays out, or disburses consistent with the requirements of parts 260 through 265 of this chapter. It may include expenditures on the refundable portions of State or local tax credits, if they are consistent with the provisions at § 260.33. It does not include any amounts that merely represent avoided costs or foregone revenue. Avoided costs include such items as contractor penalty payments for poor performance and purchase price discounts, rebates, and credits that a State receives. Foregone revenue includes State tax provisions—such as waivers, deductions, exemptions, or nonrefundable tax credits—that reduce a State’s tax revenue.

*Experimental group* is a term relevant to continuation of a “waiver” and has the meaning specified at § 260.71.

*FAG* has the meaning specified at § 264.0(b) of this chapter.

*Family Violence Option (or FVO)* has the meaning specified at § 260.51.

*FAMIS* means the automated statewide management information system under sections 402(a)(30), 402(e), and 403 of prior law.

*Federal expenditures* means expenditures by a State of Federal TANF funds.

*Federal TANF funds* means all funds provided to the State under section 403 of the Act except WtW funds awarded under section 403(a)(5), including the SFAG, any bonuses, supplemental grants, or contingency funds.

*Federally recognized good cause domestic violence waiver* has the meaning specified at § 260.51.

*Fiscal year* means the 12-month period beginning on October 1 of the preceding calendar year and ending on September 30.

*FY* means fiscal year.

*Good cause domestic violence waiver* has the meaning specified at §260.51.

*Governor* means the Chief Executive Officer of the State. It thus includes the Governor of each of the 50 States and the Territories and the Mayor of the District of Columbia.

*IEVS* means the Income and Eligibility Verification System operated pursuant to the provisions in section 1137 of the Act.

*Inconsistent* is a term relevant to continuation of a “waiver” and has the meaning specified at §260.71.

*Indian, Indian Tribe and Tribal Organization* have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b), except that the term “Indian tribe” means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional non-profit corporations:

- (1) Arctic Slope Native Association;
  - (2) Kawerak, Inc.;
  - (3) Maniilaq Association;
  - (4) Association of Village Council Presidents;
  - (5) Tanana Chiefs Council;
  - (6) Cook Inlet Tribal Council;
  - (7) Bristol Bay Native Association;
  - (8) Aleutian and Pribilof Island Association;
  - (9) Chugachmuit;
  - (10) Tlingit Haida Central Council;
  - (11) Kodiak Area Native Association;
- and
- (12) Copper River Native Association.

*Individual Development Account, or IDA*, has the meaning specified at §263.20 of this chapter.

*Job Opportunities and Basic Skills Training Program* means the program under title IV-F of prior law to provide education, training and employment services to welfare recipients.

*JOBS* means the Job Opportunities and Basic Skills Training Program.

*Minor child* means an individual who:

- (1) Has not attained 18 years of age;
- or

- (2) Has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

*MOE* means maintenance-of-effort.

*Needy State* is a term that pertains to the provisions on the Contingency Fund and the penalty for failure to meet participation rates. It means, for a month, a State where:

- (1)(i) The average rate of total unemployment (seasonally adjusted) for the most recent 3-month period for which data are published for all States equals or exceeds 6.5 percent; and

- (ii) The average rate of total unemployment (seasonally adjusted) for such 3-month period equals or exceeds 110 percent of the average rate for either (or both) of the corresponding 3-month periods in the two preceding calendar years; or

- (2) The Secretary of Agriculture has determined that the average number of individuals participating in the Food Stamp program in the State has grown at least 10 percent in the most recent 3-month period for which data are available.

*Noncustodial parent* means a parent of a minor child who:

- (1) Lives in the State; and
- (2) Does not live in the same household as the minor child.

*Prior law* means the provisions of title IV-A and IV-F of the Act in effect as of August 21, 1996. They include provisions related to Aid to Families with Dependent Children (or AFDC), Emergency Assistance (or EA), Job Opportunities and Basic Skills Training (or JOBS), and FAMIS.

*PRWORA* means the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, or Pub. L. 104-193, 42 U.S.C. 1305 note.

*Qualified Aliens* has the meaning prescribed under section 431 of PRWORA, as amended, 8 U.S.C. 1641.

*Qualified State Expenditures* means the total amount of State funds expended during the fiscal year that count for basic MOE purposes. It includes expenditures, under any State program, for any of the following with respect to eligible families:

- (1) Cash assistance;
- (2) Child care assistance;

(3) Educational activities designed to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures involving the provision of services or assistance of an eligible family that is not generally available to persons who are not members of an eligible family;

(4) Any other use of funds allowable under subpart A of part 263 of this chapter; and

(5) Administrative costs in connection with the matters described in paragraphs (1), (2), (3) and (4) of this definition, but only to the extent that such costs do not exceed 15 percent of the total amount of qualified State expenditures for the fiscal year.

*Secretary* means Secretary of the Department of Health and Human Services or any other Department official duly authorized to act on the Secretary's behalf.

*Segregated State TANF expenditures* means expenditures of State funds within the TANF program that are not commingled with Federal TANF funds.

*Separate State program, or SSP*, means a program operated outside of TANF in which the expenditures of State funds may count for basic MOE purposes.

*SFAG* means State family assistance grant, as defined in this section.

*SFAG payable* means the SFAG amount, reduced, as appropriate, for any Tribal Family Assistance Grants made on behalf of Indian families residing in the State and any penalties imposed on a State under this chapter.

*Single audit* means an audit or supplementary review conducted under the authority of the Single Audit Act at 31 U.S.C. chapter 75.

*Social Services Block Grant* means the social services program operated under title XX of the Act, pursuant to 42 U.S.C. 1397.

*SSBG* means the Social Services Block Grant.

*State* means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa, unless otherwise specified.

*State agency* means the agency that the Governor certifies as the administering and supervising agency for the

TANF program, pursuant to section 402(a)(4) of the Act.

*State family assistance grant* means the amount of the basic block grant allocated to each eligible State under the formula at section 403(a)(1) of the Act.

*State MOE expenditures* means the expenditure of State funds that may count for purposes of the basic MOE requirements at section 409(a)(7) of the Act and the Contingency Fund MOE requirements at sections 403(b)(4) and 409(a)(10) of the Act.

*State TANF expenditures* means the expenditure of State funds within the TANF program.

*TANF* means The Temporary Assistance for Needy Families Program.

*TANF program* means a State program of family assistance operated by an eligible State under its State TANF plan.

*Territories* means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

*Title IV-A* refers to the title and part of the Act that now includes TANF, but previously included AFDC and EA. For the purpose of the TANF program regulations, this term does not include child care programs authorized and funded under section 418 of the Act, or their predecessors, unless we specify otherwise.

*Tribal family assistance grant* means a grant paid to a Tribe that has an approved Tribal family assistance plan under section 412(a)(1) of the Act.

*Tribal grantee* means a Tribe that receives Federal TANF funds to operate a Tribal TANF program under section 412(a) of the Act.

*Tribal TANF program* means a TANF program developed by an eligible Tribe, Tribal organization, or consortium and approved by us under section 412 of the Act.

*Tribe* means Indian Tribe or Tribal organization, as defined elsewhere in this section. The definition may include Tribal consortia (i.e., groups of federally recognized Tribes or Alaska Native entities that have banded together in a formal arrangement to develop and administer a Tribal TANF program).

*Victim of domestic violence* has the meaning specified at § 260.51.

*Waiver*, when used in subpart C of this part, has the meaning specified at § 260.71.

*We (and any other first person plural pronouns)* means the Secretary of Health and Human Services or any of the following individuals or organizations acting in an official capacity on the Secretary's behalf: the Assistant Secretary for Children and Families, the Regional Administrators for Children and Families, the Department of Health and Human Services, and the Administration for Children and Families.

*Welfare-to-Work* means the new program for funding work activities at section 403(a)(5) of the Act.

*WtW* means Welfare-to-Work.

*WtW cash assistance* has the meaning specified at § 260.32.

[64 FR 17878, Apr. 12, 1999; 64 FR 40291, July 26, 1999]

**§ 260.31 What does the term “assistance” mean?**

(a)(1) The term “assistance” includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under § 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) It excludes:

(1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help

cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of the Act, to an individual who is not otherwise receiving assistance.

(c) The definition of the term assistance specified in paragraphs (a) and (b) of this section:

(1) Does not apply to the use of the term assistance at part 263, subpart A, or at part 264, subpart B, of this chapter; and

(2) Does not preclude a State from providing other types of benefits and services in support of the TANF goal at § 260.20(a).

**§ 260.32 What does the term “WtW cash assistance” mean?**

(a) For the purpose of § 264.1(b)(1)(iii) of this chapter, WtW cash assistance only includes benefits that:

(1) Meet the definition of assistance at § 260.31; and

(2) Are directed at basic needs.

(b) Thus, it includes benefits described in paragraphs (a)(1) and (a)(2) of § 260.31, but excludes benefits described in paragraph (a)(3) of § 260.31.

(c) It only includes benefits identified in paragraphs (a) and (b) of this section when they are provided in the form of cash payments, checks, reimbursements, electronic funds transfers, or any other form that can legally be converted to currency.

**§ 260.33 When are expenditures on State or local tax credits allowable expenditures for TANF-related purposes?**

(a) To be an allowable expenditure for TANF-related purposes, any tax