§ 264.71 What determines the amount of the provisional payment of contingency funds that will be made to a State?

We will make a provisional payment to a State that meets the requirements of §264.70, within the following limits:
(a) The amount that we will pay to a State in a fiscal year will not exceed an amount equal to \( \frac{1}{12} \) times 20 percent of that State’s SFAG for that fiscal year, multiplied by the number of eligible months for which the State has requested contingency funds;
(b) The total amount that we will pay to all States during a fiscal year will not exceed the amount appropriated for this purpose; and
(c) We will pay contingency funds to States in the order in which we receive requests for such payments.

§ 264.72 What requirements are imposed on a State if it receives contingency funds?

(a)(1) A State must meet a Contingency Fund MOE level of 100 percent of historic State expenditures for FY 1994.
(2) A State must exceed the Contingency Fund MOE level to keep any of the contingency funds that it received. It may be able to retain a portion of the amount of contingency funds that match countable State expenditures, as defined in §264.0, that are in excess of the State’s Contingency Fund MOE level, after the overall adjustment required by section 403(b)(6)(C) of the Act.
(b) A State must complete an annual reconciliation, in accordance with §264.73, in order to determine how much, if any, of the contingency funds that it received in a fiscal year it may retain.
(c) If required to remit funds under the annual reconciliation, a State must remit all (or a portion) of the funds paid to it during the fiscal year in which it received contingency funds to the Discretionary Fund of the CCDF or the SSBG.

§ 264.73 What is an annual reconciliation?

(a) The annual reconciliation involves the calculation, for a fiscal year, of:
(1) The amount of a State’s qualifying expenditures;
(2) The amount by which a State’s countable State expenditures, as defined in §264.0, exceed the State’s required Contingency Fund MOE level; and
(3) The amount of contingency funds that the State may retain or must remit.
(b) If a State exceeded its required Contingency Fund MOE level, it may be able to retain some or all of the contingency funds that it received.
(c) A State determines the amount of contingency funds that it may retain by performing the following calculations:
(1) From the lesser of the following two amounts:
   (i) The amount of contingency funds paid to it during the fiscal year; or
   (ii) Its countable State expenditures, as defined in §264.0, minus its required Contingency Fund MOE level, multiplied by:
      (A) The State’s Federal Medical Assistance Percentage (FMAP) applicable for the fiscal year for which funds were awarded; and
      (B) \( \frac{1}{12} \) times the number of months during the fiscal year for which the State received contingency funds.
(2) Subtract the State’s proportionate remittance (as reported to the State by ACF) for the overall adjustment of the Contingency Fund for that fiscal year required by section 403(b)(6)(C) of the Act.

§ 264.74 How will we determine the Contingency Fund MOE level for the annual reconciliation?

(a)(1) The Contingency Fund MOE level includes the State’s share of expenditures for AFDC benefit payments, administration, and PAMIS; EA; and the JOBS program for FY 1994.