

Appendix B

POTENTIAL FEDERAL TANF PENALTIES

The following chart describes some of the penalties that could be applied against the TANF program for any violations that occur. For a complete listing of TANF penalties, reference 45 CFR 263 through 45 CFR 265.

Violation	Regulatory Citation	Method of Determining Penalty	Penalty Amount
Misusing TANF funds	45 CFR 263.10	Single audit	Amount of misused TANF funds
Intentionally misusing TANF funds	45 CFR 263.10	Single audit	Amount of penalty for misuse plus 5% of adjusted State Family Assistance Grant (SFAG)
Failing to submit report as required	45 CFR 265.8	Self-evident	4% reduction of adjusted SFAG for each quarter the state fails to report as required
Failing to repay Federal loan	45 CFR 264.40	Self-evident	Outstanding loan amount plus interest
Failing to meet TANF MOE requirement	45 CFR 263.8	TANF Financial report	Dollar-for-dollar reduction of amount of SFAG payable
Failing to remit contingency funds if the Contingency Fund MOE requirement is not met	45 CFR 264.76	TANF Financial report	Amount of contingency funds not remitted
Failing to replace penalty reduction with state funds	45 CFR 264.50	TANF Financial report	No more than 2% of adjusted SFAG plus amount of shortfall