



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

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November 15, 2018

Salena Chow, Chief
Fiscal Forecasting and Policy Branch
California Department of Social Services
744 P Street
Sacramento, CA 95814

Dear Ms. Chow:

This letter provides approval of the California Department of Social Services – County Welfare Departments Cost Allocation Plan (Plan), which was transmitted by letter dated February 28, 2018, and subsequently revised on August 31, 2018 and October 11, 2018. This amendment was submitted in accordance with 45 CFR 95, Subpart E and is effective July 1, 2016, with the exception of Attachment H which is effective July 1, 2015.

Acceptance of the actual costs in accordance with the approved Plan is subject to the following conditions:

1. The information contained in the Plan and provided by the State in connection with our review of the Plan is complete and accurate in all material respects.
2. The actual costs claimed by the State are allowable under prevailing cost principles, program regulations and law.
3. The claims conform with the administrative and statutory limitations against which they are made.

This approval relates only to the methods of identifying and allocating costs to programs, and nothing contained herein should be construed as approving activities not otherwise authorized by approved program plans or Federal legislation and regulations.

Implementation of the approved cost allocation plan may subsequently be reviewed by authorized Federal staff. The disclosure of inequities during reviews may require changes to the Plan.

If you have any questions concerning the contents of this letter, please contact Karen Wong of my staff at 415-437-7835. Please submit your next proposed Plan amendment electronically via email to CAS-SF@psc.hhs.gov.

Sincerely,

Arif M. Karim -S

Digitally signed by Arif M. Karim -S
DN: c=US, o=U.S. Government, ou=HHS,
ou=PSC, ou=People, cn=Arif M. Karim -S,
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Arif Karim, Director
Cost Allocation Services

cc: Debra Samples, ACF
Wanda Hall, ORR

Dzung Hoang, CMS
David Ishida, ACL

Francisco Lebron, USDA/FNS



WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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EDMUND G. BROWN JR.
GOVERNOR

February 28, 2018

Mr. Arif Karim
Division of Cost Allocation
Department of Health and Human Services, Region IX
50 United Nations Plaza, Room 53
San Francisco, CA 94102

Dear Mr. Karim:

**SUBJECT: CALIFORNIA COUNTY WELFARE DEPARTMENT COST
ALLOCATION PLAN – DIRECT AND INDIRECT COSTS,
STATE FISCAL YEAR 2016-17**

Enclosed is the Fiscal Year (FY) 2016-17 County Cost Allocation Plan (CCAP) for your review and approval. Below is an overview of the major program changes made to the FY 2016-17 CCAP. Please also refer to the attachment to this letter for the detailed summary of changes.

Social Services:

- Effective with the December 2016 quarter, the Federal Adoption and Guardianship Incentive Program Code (PC) has been re-established.
- Effective with the March 2017 quarter, due to the implementation of the Continuum of Care Reform, new PCs for Child and Family Teams for both Child Welfare Departments and County Probation Departments were established.
- Effective with the March 2017 quarter, PCs for the Federal Preventing Sex Trafficking and Runaway have been revised.
- Effective with the June 2017 quarter, the In-Home Support Services (IHSS) Welfare Staff Services Program Code Descriptions (PCD) have been revised.
- Effective with the September 2011 quarter, the PC for IHSS Provider Exclusions was added to the September 2016 PCDs. This PC was inadvertently omitted from the PCDs.

California Work Opportunity and Responsibility to Kids (CalWORKs):

- Effective with the September 2016 Quarter, claiming instructions for Expanded Subsidized Employment (ESE) have been revised.

Mr. Arif Karim
Page Two

- Effective with the June 2017 quarter, the PCDs for ESE PCs have been revised.

Other Public Welfare:

- Effective with the December 2016 quarter, a new Type of Expense (TOE) has been established for claiming CalFresh Employment and Training third party reimbursements. This TOE has been applied to the appropriate existing CalFresh PCs listed in the attachment to this document.

Child Care: No Changes.

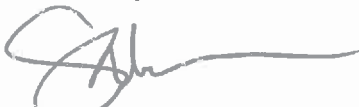
Non-Welfare: No Changes.

Please note, changes to the CCAP include the following: providing clarity to language, including footnotes where necessary, and updating definitions to Time Study Code (TSC) Descriptions. Newly added or revised codes, claiming language, descriptions, etc. are shown in bold font. Any deletions are shown with strike through.

The TSC descriptions, including Program Identifier Number and TOE codes addressed within the CCAP are provided under each relative "function(s)" in the PCD. Also included are Time Study Information and Matrices (TSCs and Non-Time Study Codes), in the CCAP Attachments C and G, respectively. Effective with the FY 2016-17 CCAP, the new section "Type of Expense Code Descriptions" has been added to the PCD manual (CCAP, Attachment C).

If you have any questions regarding this letter or attachments contained in the FY 2016-17 CCAP, please contact me at (916) 657-3310 or Elisa Tsujihara, Chief of the Fiscal Policy and Analysis Bureau, at (916) 651-9986.

Sincerely,



SALENA CHOW, Chief
Fiscal Forecasting and Policy Branch

Attachment

**Fiscal Year 2016-17 County Cost Allocation Plan
Summary of Changes**

Attachment

Below are changes made to the Fiscal Year (FY) 2016-17 County Cost Allocation Plan (CCAP). Sub-bullets provide program codes (PCs) related to the change.

Social Services:

- Effective with the December 2016 quarter, counties will claim to PC 151 (Federal Adoption and Guardianship Incentive Program) for reinvestment costs when serving a child in a finalized adoptive or legal guardianship home. With the reauthorization of the Adoption Incentive Program (through Public Law 113-183), California was qualified to receive a total of \$50,000 incentive funds for FY 2016-17. The County Fiscal Letter (CFL) No. 16/17-23, dated September 30, 2016, re-established PC 151. Reinvestment activities include services and administrative activities provided under Title IV-B and Title IV-E.
- The Continuum of Care Reform (CCR) is a foster care reform to reduce the use of congregate care in California's foster care system. The All County Information Notice (ACIN) I-50-16, dated July 8, 2016, provides general information on CCR. One of the fundamental principles of CCR is that child welfare services are most effective when delivered in the context of a Child and Family Team (CFT) that shares responsibility to assess, plan, intervene, monitor and refine services over time. Information regarding the claiming instructions and new PCs were released in CFL No. 16/17-22, dated October 11, 2016. The All County Letter (ACL) No. 16-84, dated October 7, 2016, provides counties with information regarding CFT activities.
 - Effective with the March 2017 quarter, County Welfare Department (CWD) CFT costs shall be claimed to the new PC 944 (Child and Family Team – Federal) and PC 945 (Child and Family Team – Non-Federal). The County Probation Department (CPD) will claim CFT costs to PC 947 (Probation Child and Family Team – Federal) and PC 948 (Probation Child and Family Team – Non-Federal).
- Effective with the September 2016 Quarter, Program Code (PC) 528 has been repurposed for reporting personnel services and associated overhead for the development and implementation of the Child Welfare Services – New System Project (CWS-NS Project). The CFL No. 16/17-37, dated November 29, 2016, instructs counties to claim expenses associated with the development and implementation activities as they relate to the CWS-NS Project.
- The CFL No. 15/16-41, dated January 25, 2016, provided CWDs with PC 928 (Federal Preventing Sex Trafficking and Runaway Activities) and County Probation Departments (CPDs) with program identifier number (PIN) 929059 (Probation Federal Preventing Sex Trafficking and Runaway Activities) to use when claiming expenses related to Federal Preventing Sex Trafficking and Runaway Activities. Public Law 113-183 requires that counties identify and document children who may be victims of sex trafficking that have not yet been placed in foster care. To comply with federal reporting requirements, separate claiming codes have been created to track the “candidate” and “pre-placement” children for CPD and CWD, respectively.

**Fiscal Year 2016-17 County Cost Allocation Plan
Summary of Changes**

Attachment

- Effective with the March 2017 quarter, CDSS has updated claiming instructions in CFL No. 16/17-44, December 27, 2017, for the Federal Preventing Sex Trafficking and Runaway activities to include PC 951 (Federal Preventing Sex Trafficking and Runaway Activities – Pre-placement) for CWDs and PIN 952059 (Probation Federal Preventing Sex Trafficking and Runaway Activities – Candidates) for CPDs to use when claiming costs related to Federal Preventing Sex Trafficking and Runaway Activities.
- Effective with the September 2011 quarter, the PC 836 (IHSS Provider Exclusions) has been added to the September 2016 PCDs. The PC 836 was released in the CFL No. 11/12-19, dated September 16, 2011, however, it was inadvertently omitted from the PCDs.

California Work Opportunity And Responsibility To Kids (CalWORKs):

- Effective with the September 2016 quarter as stated in CFL No. 15/16-65, dated June 30, 2016, the PCs 403 (AB 98 Subsidized Employment) and PC 404 (Nonfederal AB 98 Subsidized Employment) were deleted. The passage of Assembly Bill (AB) 1603 (Chapter 25, Statutes of 2016) repealed the AB 98 Subsidized Employment program. Counties will claim eligible Expanded Subsidized Employment costs to PC 372 (Expanded Subsidized Employment [ESE] Admin, Federal), PC 374 (ESE Non-Admin, Federal), PC 376 (ESE Admin, Non-Federal) or PC 378 (ESE Non-Admin, Non-Federal) as explained in CFL No. 13/14-22, dated September 30, 2013. The PC 633 (Welfare-to-Work [WTW] General) and PC 451 (Non-Federal WTW) are also available as described in CFL No. 13/14-22.
 - Effective with the June 2017 quarter as stated in CFL No. 16/17-61, the PCD for the ESE PC 372 (ESE Administration Federal), PC 374 (ESE Administration Non-Federal), PC 376 (ESE Non-Administration Federal) and PC 378 (ESE Non-Administration Non-Federal) have been revised to further clarify administration and non-administration activities.

Other Public Welfare:

- Per ACIN I-46-16, dated June 23, 2016, “a county may establish a partnership with local agencies to provide CalFresh Employment and Training (CFET), or to administer CFET components. In some instances, a county will reimburse a partner agency for all allowable administrative costs using 100 percent federal grant funds and in other cases, the partner agency will be reimbursed for half of its administrative expenditures using 50 percent federal cost sharing. In either case, the partner agency is able to access funds not previously at its disposal and the county is able to conserve limited resources while expanding available services to CFET participants. These arrangements are often called third party reimbursement models.”
 - Effective with the December 2016 quarter as stated in CFL No. 16/17-23, PC 364 (CFET Third Party Match) is available for claiming third party reimbursements

**Fiscal Year 2016-17 County Cost Allocation Plan
Summary of Changes**

Attachment

to the CFET 50 percent allocation. Counties may utilize this code separately and/or concurrently with the PC 464 (CFET Administrative Activities).

- Effective with the December 2016 quarter as stated in CFL No.16/17-23, a new Type of Expenses (TOE) Code 30 (CalFresh Third Party Consultant), has been created to allow counties that have received approval from the CDSS CalFresh Operations Bureau to access reimbursement of third party consultant costs associated with the CalFresh Program. Access to TOE Code 30 (CalFresh Third Party Consultant) is permitted after notification and approval from CDSS that all activities and deliverables are allowable under applicable state and federal guidelines.
 - Effective with the December 2016 quarter, PIN code 343030 (CalFresh Third Party Consultant) has been added under PC 343 (NACF – Eligibility). Claiming reimbursement to the new CalFresh Third Party Consultant PIN requires prior CDSS review of contract deliverables as outlined in the TOE Code 30 description.

Child Care: No Changes.

Non-Welfare: No Changes.

Notification of Changes


Changes to the aforementioned items were transmitted to the counties through county fiscal letters, which includes claiming instructions for county costs. Any additions, deletions or edits to the CCAP are identified using bold and strikethrough. This plan was prepared in accordance with the instructions contained in the "A Guide for State, Local and Indian Tribal Governments, Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government" (ASMB C-10). This includes the principles and standards established by General Services Office of Management and Budget Super Circular 2 CFR §200.

In accordance with the Department of Health and Human Services letter received July 17, 2006, this plan has been submitted via email to dcasf@psc.gov. As the single-state cognizant federal agency, CDSS requests that the Division of Cost Allocation coordinate a consolidated written response for all involved agencies within sixty (60) days of receipt of these CCAP amendments, in accordance with CFR Title 45, Part 95.

CERTIFICATION

I hereby certify that the information in the attached Cost Allocation Plan (County Welfare Departments) for the fiscal period beginning July 1, 2016 is prepared in conformance with the Office of Management and Budget Circular 2 CFR §200 and the implementing procedures published by the Department of Health and Human Services. I further certify that:

- 1) Only those costs incurred by the State or local agency, or allocated to the State or local agency by an approved central service allocation plan will be included in its administrative cost pools as finally accepted, and that such costs are legal obligations (with the exception of memo billings from other state agencies) of the State or local agency and allowable under the governing cost principles;
- 2) the same costs that have been treated as indirect cost have not been claimed as direct costs;
- 3) similar types of costs have been accorded consistent accounting treatment, unless otherwise specifically addressed in the plan;
- 4) an adequate accounting and statistical system exists to support only claims prepared under the approved cost allocation plan; and
- 5) the information provided in support of the proposed cost allocation plan amendments are accurate.



Salena Chow, Chief
Fiscal Forecasting and Policy Branch
California Department of Social Services

Date

2/28/18

**DHHS COST ALLOCATION SERVICES (CAS) CERTIFICATE
OF AMERICAN RECOVERY AND REINVESTMENT ACT
(ARRA) PUBLIC ASSISTANCE COST ALLOCATION PLAN
(PACAP)**

This is to certify that I have reviewed the public assistance cost allocation plan submitted herewith and to the best of my knowledge and belief:

1. All costs included in this proposal effective July 1, 2016, are allowable in accordance with the requirements of 2 CFR §225, Cost Principles for State, Local, and Indian Tribal Governments (2 CFR §200 formerly known as OMB Circular A-87), the American Recovery and Reinvestment Act of 2009, and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

2. All costs included in this proposal are properly allocable to Federal ARRA awards on the basis of a beneficial or causal relationship between the expenses incurred and the ARRA awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

California Department of Social Services

Governmental Unit


Signature

Salena Chow

Name of Official

Chief, Fiscal Forecasting and Policy Branch

Title

2/28/18
Date of Execution

NOTE: WE WILL NOT BE ABLE TO PROCESS YOUR PUBLIC ASSISTANCE COST ALLOCATION PLAN WITHOUT THIS CERTIFICATION.

Send certificate along with your public assistance cost allocation plan to your assigned Regional Division of Cost Allocation office.
Created by DCA June 17, 2009



STATE OF CALIFORNIA

**DEPARTMENT
OF
SOCIAL SERVICES**

**COUNTY WELFARE DEPARTMENT
COST ALLOCATION PLAN (CCAP)**

**PREPARED BY
THE FISCAL POLICY BUREAU
FISCAL YEAR 2016-17**

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
COUNTY WELFARE DEPARTMENT (CWD) COST ALLOCATION PLAN (CAP)

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**H. Enhanced Federal Financial Participation for Medi-Cal
Eligibility Expenditures**

Effective **July 2016 – September 2017** Quarter

Introduction

The California Department of Social Services (CDSS) employs a State supervised county operated public assistance system. The CDSS Cost Allocation Plan (CAP) for Direct and Indirect Costs sets forth the methods that the State will use to identify and allocate State level costs to appropriate programs in order to properly claim Federal Financial Participation (FFP) funds. Likewise, this County Welfare Department (CWD) CAP describes the allocation basis and direct charge rationale for those same programs/projects operated by counties and supported by federal fund sources identified in the CDSS CAP.

These program costs are charged on the County Expense Claim (CEC). The reporting of administrative costs is performed on a continuous cash flow basis at the county level. The costs are reported to the State via the CEC on a quarterly basis.

The cost principles and procedures in the CDSS CAP have been developed in accordance with the guidelines in the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards found at Title 2 Code of Federal Regulations (CFR), Part 200 and Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government (ASMB C-10). (Revision-Effective December 26, 2014)

Cost Allocation Concept

The purpose of the CAP is to provide the CWD with the means for determining the non-aid payment (services and administration) costs applicable to each program. Such a cost determination is necessary to: (1) satisfy Federal reporting and funding requirements; (2) determine appropriate Federal and State financial reimbursement for each of the welfare programs; and (3) provide the CWD and the CDSS with reasonably accurate expenditure data required for the efficient management of the welfare operation.

The CWD CAP uses time or observations reported by designated staff as the basis for distributing costs to any of the functions, (i.e., Social Services, CalWORKs, Other Public Welfare Programs, Child Care, Non-Welfare, and Generic, and/or programs within a function.) Under the cost allocation concept, the task of the CWD having to identify and direct charge costs to a specific program, where impractical, is minimized.

The CWDs, to the extent possible, have the capability to accurately identify costs directly benefiting a specific function or program, and to identify and charge those costs directly to that function or program.

To create, delete and/or accommodate changes to support programs and related activities, CDSS transmits quarterly, or as needed, County Fiscal Letters (CFLs) directing counties regarding appropriate time study and cost claiming requirements. In conjunction with this Plan, CFLs help ensure effective program delivery by providing detailed fiscal information necessary to ensure an equitable sharing of costs among Federal, State, and County entities. These letters also continue to follow prescribed cost plan methods and do not typically necessitate a CWD CAP amendment. Cost plan methodology changes will be submitted as amendments for Federal approval. The online version of the [CEC manual](#) can be found here:

<http://www.cwda.org/downloads/tools/fiscal/CECManual2007.pdf>

The primary basis for distributing costs through the CWD CAP is individual caseworker time studies for the Social Services, CalWORKs, Other Public Welfare Programs, Child Care, Non-Welfare and Generic functions. In each county, specific staff, primarily case-carrying social workers, eligibility determination workers, fraud investigators, employment services workers, selected child care support workers and the first-line supervisors of these staff are required to participate in the time study process each calendar quarter. Effective July 1, 1991, counties may elect one of three time study methodologies.

- (a) A single random moment time study of the above staff, using the codes and definitions specified in Attachment C, and meeting standards specified in Attachment D.
- (b) Instructions for the mid-month time study process using codes and definitions in Attachment C, and an example of the Generic Time Study form (DFA 10) is contained in Attachment E. (Per CFL 97/98-64, counties are now given the option of designing their own forms instead of using the DFA 10 and DFA 7.) On this form, the staff records and accumulates time spent on a particular program for four consecutive weeks of every quarter. The time study form is completed in the mid-month of each of the four quarters or on 22 randomly selected days of each quarter. Counties that complete a mid-month time study have the option of using the calendar month or two consecutive biweekly payroll periods that most closely match the mid-month time study as the time study period. Counties that choose the 22 random day method will use a random numbers chart to select the 22 days. An example of this chart and process are included in Attachment F.
- (c) A continuous daily time study using the codes and definitions specified in Attachment C, Program Code Descriptions (PCD). Staff are to time study daily throughout all three months of the quarter.

Clerical and administrative support salaries are identified to any function and/or program level through a separate time study/time certification process. During the mid-month of each quarter, clerical and administrative support staff either time study or time certify their activities on the Support Staff Time Report (DFA 7) (see Attachment E), or a form

designed by their county, to the appropriate benefiting level in accordance with a Support Staff Time Reporting Plan (SSTRP). The counties are required to submit a SSTRP annually to the Department pursuant to CFL No. 00/01-74, dated April 30, 2001. The SSTRP is submitted by the 40 largest CWDs for review and completeness. This document specifies how CWD support staff capture their time: time study (continuous daily reporting during the mid-month) or time certify (end of month reporting for the mid-month) and to which benefiting level: generic (department-wide), function (one or more of the functions) or directly to specific programs. The 18 smaller counties have limited staff and typically assist in every aspect of the CWD. Therefore, these counties may report staff time studies as generic or develop a SSTRP if they decide to report time to another level (other than generic).

In counties that use the mid-month time study, CWD staff performing electronic data processing (EDP) and staff development activities are required to maintain continuous time records throughout the entire quarter. These time studies would not identify costs equitably because the activities and benefiting programs change throughout the quarter. In counties which use the 22 random days, these staff time study only on 22 random days.

At the end of each quarter, time study summaries are compiled for the purpose of allocating generic and/or functional costs. First, caseworker time, or observations, is summarized into programs within functions. The CWDs shall use either:

- (1) allocable caseworker hours/observations based upon appropriate time study data, or
- (2) the total paid caseworker hours. Ratios are then developed for each function to distribute the allocable CWD administrative costs to the functions. The caseworker time, or observations, is also the basis for distributing caseworker salaries, benefits and allowable general administrative costs to the programs within each function. This methodology is not used for those CWD costs that are identified directly to the program level through an alternative methodology. Please reference the Support Operating Costs and Direct Costs sections for the alternative methodology.

Second, ratios are developed to distribute support staff salaries to the appropriate level for further allocation through the CEC. Support staff hours accumulated in this process is used only to direct the support staff salaries and benefits to the appropriate level within the CWD, not to allocate other administrative costs.

Finally, staff assigned to EDP and staff development time study to the appropriate level based upon their activities, for distribution of their salary and benefits. If staff time study to generic, their salary and benefits are allocated to function based on a ratio of the quarterly total active EDP cases on the system by function. However, if staff time study to function or multi-function, caseworker time study ratios allocate costs to the program level.

Accumulation of Costs into Cost Pools

At the end of each quarter, CWD costs are accumulated into six primary cost pools on the CEC to distribute costs to the benefiting functions and programs.

These six pools, as identified on the DFA 325.1 (Attachment B) are:

1. Casework Costs
2. Support Staff Costs
3. Support Operating Costs
4. EDP Costs
5. Staff Development Costs
6. Direct Costs

A summary of the costs included in each of these pools, along with the allocation methods used for each, is provided below. A description of the costs included in each cost pool is included in Attachment A.

I. Casework Costs

This cost pool captures the salaries and benefits paid to caseworkers and their first-line supervisors. The salaries and benefits reported for each of the functions are allocated to the programs within each function based on the caseworker time study hours, or observations, reported for each program. Total caseworker salaries and benefits, as well as the summary of time study hours or observations, are reported on the DFA 325.1 (Attachment B).

II. Support Staff Costs

This cost pool accumulates, from the Support Staff Summary and Support Staff Salary Distribution to Program forms, the salaries and benefits paid to employees performing support activities in accordance with the SSTRP.

Counties using a payroll and labor distribution system which identifies support staff salaries to the level identified in the SSTRP are not required to pool and allocate costs using the Support Staff Summary. The salaries and benefits reported to generic and to each of the functions are allocated to the programs within each function in the same manner as the caseworker salaries, i.e., using caseworker time study hours or observations that are reported directly to the appropriate program in the CEC.

Support staff salaries and benefits are reported by function on the DFA 325.1 and distributed to the individual benefiting programs on subsequent pages of the CEC.

III. Support Operating Costs

CWDs shall distribute support operating costs as follows: (1) allocated based upon a ratio of caseworker allocable time study hours/observations; or (2) distributed based upon total paid caseworker hours, or (3) direct charged to a function and/or program. The chosen alternative is dictated by a CWD's ability to accurately identify and compile related costs. Direct charge methodologies will be based on a reasonable causal relationship to the specific cost category, e.g., square footage for space, mileage rate for travel, etc. Consistent treatment of such costs will be subject to review. Quarterly support operating costs which typically have a department wide benefit to all programs, or that cannot be direct charged to a function and/or program, will be distributed to the functions based on a ratio of total caseworker allocable hours/observations, or total paid casework hours.

Support operating costs are reported by function on the DFA 325.1 and distributed to the individual benefiting programs on the subsequent pages of the CEC.

IV. EDP Costs

This cost pool captures the costs associated with the development, implementation and maintenance and operations (M&O) of EDP systems used in the administration of public assistance programs.

Costs reported in this cost pool include the salaries and benefits of CWD staff assigned to the EDP organizational unit, including support staff, as well as the prorated salary and benefits of CWD non-EDP staff who are temporarily or intermittently assigned to work on an EDP developmental project. Please note that a "unit" of EDP equipment is a configuration of equipment that is required to function in a usable manner. For example, a PC is comprised of a CPU with all the necessary internal components, monitor, keyboard, mouse and any other item that would be necessary for the "unit" to operate in an expected manner. General Purpose equipment as defined in OMB A-87 means equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment and motor vehicles. Also reported in this cost pool are the costs directly associated with operating an EDP system, e.g., equipment, supplies, software and services whether incurred directly by the CWD or purchased from a public or private agency. All costs for EDP are identified to one of two categories for reporting purposes: M&O (costs associated with the functioning of the automated system) or developmental (costs associated with the design, development and installation of the automated system). Costs for each category are allocated using a separate EDP cost allocation methodology.

EDP costs are reported on the DFA 325.1 by function and distributed to the individual benefiting programs on subsequent pages of the CEC.

EDP Development Cost Methodology

Federal regulations, 45 Code of Federal Regulations (CFR) Part 95.631(a) and Part 45 CFR 1355.50 -1355.57, requires the State to: specifically identify which items of costs constitute development costs; assign these costs to specific project cost centers; and distribute these costs to funding sources based on the specific identification, assignment and distribution outlined in the approved Advance Planning Document (APD). Federal regulations specifically identified in 45 CFR, Part 1355.50, reference Statewide Automated Child Welfare Information System (SACWIS) cost distribution requirements.

M&O Cost Methodology

Federal regulations, 45 CFR, Part 95.631(b), and Part 45 CFR 1355.50-1355.57, requires the cost incurred for the operations of an EDP system to be identified and assigned by the State agency to the funding sources in accordance with the approved cost allocation plan required by Subpart E of the same part. Federal regulations specifically identified in 45, Part 1355.50-1355.57, reference SACWIS cost distribution requirements.

Accordingly, M&O costs are distributed to the benefiting programs using the individual caseworker time study hours, or observations, of the Social Services, CalWORKs, Other Public Welfare Programs, Child Care, Non-Welfare and Generic functions. However, prior to this distribution process, M&O costs are first directly identified to the project and then to the benefiting function(s) or program level. If determined to be generic in nature, costs are further allocated to function based on a ratio of the quarterly total active cases on the system by function. After assignment to the appropriate level, the M&O costs are allocated to the benefiting programs using ratios developed from caseworker hours or observations. M&O costs for any system developed and operated to benefit a single program will be charged only to that benefiting program. Those programs that do not benefit from EDP M&O do not charged costs from this cost category.

EDP Cost Allocation (CWS/CMS)

CWS/CMS costs are to be allocated to all benefiting programs, not solely to Title IV-E. The federally approved cost allocation methodology used for the allocation of these costs is described in detail within CFL 06/07-36. The allocation methodology for Non-CWS/CMS costs remains unchanged. All cost allocation must include all Programs benefiting from the activity/service/procurement.

Determine the portion of the procurement that is CWS/CMS eligible. A county can decide how to determine what portion of the purchased good/service is CWS/CMS eligible based on the most effective and efficient methodology for the county. Suggested options would be computer generated statistics, the use of

observations of staff activity or surveys completed by staff in which they report time spent on CWS/CMS versus other Non-CWS/CMS activities such as county applications, email or the internet. The SACWIS/Non-SACWIS matrix found in CFL No. 03/04-27 may also be used as a guide when determining which components of an acquisition are CWS/CMS eligible.

FY 2016-17 SACWIS Methodology			
Program Code	Program Name	Percent	Program
536	SACWIS	.6529	Title IV-E/ IV-B
513	EA-ER	.1814	TANF
544	CWS MPI (AB 908)	.0066	TANF
556	CWS-MPS (AB 908)	.0020	TANF
144	CWS-Health Related	.1158	Title XIX
150	EPSDT	.0000	Title XIX
168	FPP-Health Related	.0005	Title XIX
838	EFC-Health Related	.0024	Title XIX
182	ILP-Case Management	.0028	Chafee
184	ILP-Services	.0026	Chafee
135	SSI/SSP OHC	.0027	State
175	FPP Services/NonFed	.0217	State
588	STOP-Assessment/Case Plan	.0005	State
165	SB 163 Wraparound Services	.0011	County
584	SB 163 COUNTY ONLY	.0041	County
786	NREFM Under 18	.0002	State
787	NREFM NRLG	.0012	State
840	EFC Services NonFed	.0003	State
863	NRLG NMD	.0007	State
864	NRLG Probate	.0009	State
865	NRLG Juvenile	.0007	State

If only a portion of costs can be directly identified and charged to CWS/CMS and the balance is Non-CWS/CMS, the Non-CWS/CMS costs must be identified to the appropriate benefiting programs with the correct Program codes. Counties have the option of entering EDP costs into the CEC using the previous 4 quarters time studies, current quarter, by function or direct to program. Counties must choose the methodology that most accurately identifies the benefiting programs.

V. Staff Development Costs

This pool captures the costs associated with the operation of the staff development office and the provision of CWD staff training. Costs reported to this cost pool include: the salaries and benefits of staff assigned as trainers to the staff development office; salaries and benefits of support staff; all operating costs of the staff development office including supplies, travel, equipment and space (when separate from the welfare complex); purchase of outside training courses which includes salaries and benefits, travel and per diem for consultants and costs determined by federally-approved indirect cost rates of educational institutions; teaching materials and equipment; trainee costs including salaries and benefits, travel, per diem and educational costs which meet the criteria established in 45 CFR Part 235.60-66. Training costs claimed under Title IV-E must meet the criteria set forth in 45 CFR 1356.60. In addition to 45 CFR 1356.60, criteria that applies to costs eligible at the Title IV-E enhanced rate are governed by 45 CFR 235.60-66(a) and these requirements govern not only trainee costs but also trainer costs. Indirect costs cannot be claimed at the enhanced rate if the costs do not meet the criteria outlined in 45 CFR 235.64. For training and education outside of the agency, they must meet the criteria outlined in 45 CFR 235.64(c).

Staff development trainers, their first-line supervisors and non-supervisory staff development administrators are required to time study continuously. Time is separately identified to program or the functional categories: Social Services-General; Other Public Welfare Programs-General, CalWORKs-General, Child Care-General, and Non-Welfare-General and generic staff development.

At the end of the quarter, the trainers' salaries and benefits and the operating costs of the staff development office are identified to either, program, function or generic category, based on the trainers' time studies. All staff development purchase of services, out-service training costs and trainees' direct costs are directly identified to the appropriate program, function or generic category. After the generic costs are distributed to function based on the casework function ratios, the Social Services-General, Other Public Welfare Programs-General, CalWORKs-General, Child Care-General and Non-Welfare-General costs are distributed to the appropriate programs based on the functional caseworker time study hours, or observations. Total staff development costs are then summarized by program and carried forward to the staff development funding pages of the CEC. These costs are then reported by function on the DFA 325.1 and allocated to the benefiting programs on the funding pages of the CEC.

VI. Direct Costs

This cost pool summarizes, by function, those costs that are directly identifiable to specific programs. In the CalWORKs and Child Care Functions it further identifies costs as unemployed and employed. The costs are reported in detail on the Direct Cost Input Schedule of the CEC by specific program. Direct costs, which are

primarily expenditures made on behalf of CWD clients, or costs which can accurately be determined to benefit only one program, are not included in the allocation process. Such costs may include CWD support operating costs that directly benefit a program or program start-up and one-time only costs that cannot equitably be distributed via the normal allocation process.

Direct costs reported in this pool include the salaries and benefits of CWD caseworker staff who are assigned on a permanent basis to a client-related service delivery center, e.g., a CWD-operated emergency shelter care facility or child care center and the overhead costs of operating the service center. Direct program service costs, such as supportive services for clients and third-party service contracts are reported here as well.

The CWDs, to the extent possible, shall direct charge overtime salary costs to a program. These overtime salary costs must be charged to the program that was reasonably determined by the CWD to be the cause of the overtime. For example, a caseworker is called away from regular duties to work on another program. The new program consumes normal work hours and overtime is needed to maintain regular duties. The overtime hours would be charged to the new program. Likewise, if the new program requires overtime participation, then these overtime hours would also be charged to that program.

Total direct costs are reported on the DFA 325.1 and are identified to the benefiting programs on the summary pages of the CEC.

Unemployed/Employed

Based on the new Federal Temporary Assistance for Needy Families (TANF) reporting requirements, the CDSS has developed a new definition of Assistance, unemployed recipients and Non-Assistance, employed recipients, as it pertains to the CalWORKs and Child Care Functions. This distinction is found under eligible programs captured to the direct cost pool.

Non-welfare Activities

Costs of non-welfare programs and activities are identified on the CEC under the Non-welfare Function. If non-welfare activities performed by CWD staff are equivalent to activities performed by casework staff, these staff time study to the Non-welfare Function and all associated overhead costs are allocated through the CEC to county-only funding.

In some instances, the non-welfare activities are performed by administrative or clerical support staff and are not equivalent to casework activities. The support staff are required to maintain a continuous time study to identify all time spent on these activities. If it is impractical for the staff to maintain a continuous time study, other bases of allocation may be used to allocate the salary and benefits of these

staff between welfare and non-welfare programs. These might include the number of staff supervised, number of documents processed, population served or other equitable bases. At the end of each quarter, the salary and benefits are allocated between welfare and non-welfare programs.

In order to identify the indirect costs associated with the non-welfare activities, the CWD has the option to use the predetermined rate developed by CDSS or to develop an indirect cost rate (ICR) specific to the staff involved. The predetermined rate for each county is calculated by CDSS as follows: by county, the total cost for travel, space, other operating and purchase of services is divided by the total costs of salaries and benefits of administrative, clerical, caseworker and EDP staff. The percentage that results is the county-specific indirect cost rate. The development and approval of an ICR must be in accordance with the Guide for State and Local Agencies-Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government (OASC-10). The predetermined ICR is applied to the portion of the support staff's salary and benefits associated with the non-welfare activities; an ICR developed by the CWD is applied to the same cost elements which are included in the base. The salary, benefits and indirect costs for the non-welfare activities are reported under the Non-welfare Function of the CEC.

Extraneous Costs

This section of the CEC is used to report expenditures of the CWD that cannot be allocated through the CEC; or are unallowable for State and Federal financial participation. These include:

- (a) Financing/Interest Costs:
 - (1) Interest on borrowed capital or the use of a governmental unit's own funds.
 - (2) Financing costs (including interest) on otherwise allowable costs of equipment incurred and paid prior to September 1995.
 - (3) Financing/interest costs are subject to the condition outlined in OMB Circular A-87, Attachment B, Item 26, Subsection b.
- (b) The portion of a lease payment for a capitalized asset, such as buildings or equipment, which is in excess of depreciation or use allowance.
- (c) Costs unallowable for reimbursement under Federal cost principles, including local government expenses, legislative expenses, fines, penalties and entertainment expenses.

- (d) Interest or reserve account contributions included in billings from county internal service funds.
- (e) Costs of supportive services which are not issued to clients in the quarter, i.e., bus passes.
- (f) Costs claimed via a monthly claim/invoice process, i.e. (LEADERS Replacement System-LRS)

VII. OTHER

Federal and Nonfederal Persons Count for Quarter

The ratios of Nonfederal children to total Foster Care (FC) or Adoptions Assistance children served by the CWD during the quarter is developed and applied to all eligible Adoption Assistance and FC costs in order to equitably distribute Title IV-E Federal funds on behalf of federally-eligible children.

The One-Third Initial Eligibility Shift

The common eligibility determination costs for the CalWORKs, CalFresh-(Food Stamps) and Medi-Cal (Medicaid) Programs are distributed as follows. County staff report activities that are common to any recipient who applies for these multiple programs to a single Time Study Code under which basic eligibility requirements have been aligned. The costs are then shared equally, one-third (1/3) each, between each of the benefiting programs: CalWORKs, CalFresh and Medi-Cal.

Public Assistance CalFresh (PACF) Caseload Shift

In lieu of the time study process, CDSS will use an alternate allocation method to distribute PACF costs. The CDSS will use the CalFresh and CalWORKs caseload data to develop a ratio to determine the portion of the cost that benefits the CalFresh Program. This methodology is similar to the federal/nonfederal persons ratio used for the Foster Care (FC) Program.

The ratio will be applied to specific program codes that capture the eligibility determination activities and ongoing maintenance of combined CalFresh and CalWORKs cases. This computation will identify the percentage of cost for the combined case and distribute the cost proportionally between CalFresh and CalWORKs.

California Food Assistance Program (CFAP)

In lieu of the normal time study process, CDSS uses an alternative allocation methodology, approved by the Food and Consumer Service, United States

Department of Agriculture, for distributing CalFresh administrative costs to CFAP. This methodology is similar to the federal/nonfederal persons ratio used for the FC Program.

The ratio of CFAP participants to total CalFresh participants served by the CWD during the claim quarter is developed and applied to total CalFresh administrative costs (both Public and Non-assistance CalFresh) to determine the nonfederal share. For federal reporting purposes, the nonfederal share is subtracted from total food stamp administrative costs.

Two-Parent Family Caseload Shift

In lieu of the normal time study process, CDSS uses an alternative allocation methodology for distributing Two-Parent Family costs to CalWORKs. This methodology is similar to the federal/nonfederal persons ratio used for the FC Program.

The ratios of Two-Parent Families to total CalWORKs cases served by the CWD during the quarter is developed and applied to the total CalWORKs expenditures for eligibility and case management activities to distribute costs for Two-Parent Family cases.

Safety Net Eligibility Costs

In lieu of the normal time study process, CDSS uses an alternative methodology for identifying Safety Net eligibility costs. The ratio of safety net families to total CalWORKs cases, excluding Two-Parent Families, is developed for the prior State Fiscal Year (SFY) and applied to current CalWORKs eligibility expenditures (excluding Two-Parent Family expenditures) as the state share of costs. The state share represents the eligibility costs for the safety net cases.

Emergency Assistance (EA)-Crisis Resolution (CR) Case Management (CM) Unit Cost

Utilizing caseload data for determining eligible unit costs associated with EA-CR CM activities based on a unit cost methodology, this method creates individual Child Welfare Services (CWS)-CM unit costs for the following CWS components: Family Maintenance (FM), Family Reunification (FR), and Permanent Placement (PP). The resulting unit costs are derived from:

- Time study hours reported to CWS-CM;
- The number of cases in each component receiving CM services.

The individual CWS-CM unit costs for the CWS component is applied to active EA cases receiving the exact same CM activities/services. The result of the calculation is the EA case management costs eligible for State reimbursement.

TANF Performance Incentives

Welfare and Institutions Code Section 10544.1 established performance incentives to counties to move CalWORKs recipients to employment. Counties may use TANF federal incentive funds for expanded services and benefits that directly lead (or can be expected to lead) to the accomplishment of one of the four purposes of the TANF program. All expenditures must be reported under existing program codes. Both state and federal performance incentive expenditures will continue to be reported on the CEC addendum page.

Title IV-E California Well-Being Project

California began operating a waiver demonstration project on July 1, 2007, with Alameda and Los Angeles Counties and continued under three short-term bridge extensions through September 30, 2014. On September 29, 2014, the federal government approved a five-year extension and expansion of the demonstration through September 30, 2019. The Title IV-E California Well-Being Project (Project) operates in the following counties: Alameda and Los Angeles Counties as Cohort 1 and Butte, Lake, Sacramento, San Diego, San Francisco, Santa Clara, and Sonoma as Cohort 2. The Project provides participating counties the flexibility to invest existing resources more effectively in proven and innovative approaches that better ensure the safety of children and the success of families. The fiscal flexibility enables the opportunity to reinvest resources into more cost efficient approaches that achieve better outcomes.

The Title IV-E California Well-Being Project's goal is to improve the safety, permanency, and well-being of children, youth and families through the increase of preventative and family centered strength based practices. The Project fosters the collaboration between county child welfare and probation departments and has identified its two primary interventions: Safety Organized Practice/Core Practice Model (SOP/CPM) and Wraparound; in addition, counties are also investing their savings in up to two child welfare and up to two probation interventions, at local discretion, that they feel will improve the safety, permanency and well-being of children in their respective counties. The Project's target population for SOP/CPM includes children and youth ages 0-17, inclusive, who currently are in out-of-home placement or who are at risk of entering or re-entering foster care. The target population for Wraparound includes children and youth ages 12-17, inclusive who are at imminent risk or at risk of being removed from their homes and placed in foster care or delinquent facilities. During the first year of extension and expansion, some counties participating in the Project elected to implement optional interventions and services and began their implementation efforts. The Project infers families will be more likely to be engaged and benefit from direct services, and children and youth will remain safely in their own homes and experience improved functioning.

The specific goals of the Project are to:

- Improve the array of services and support available to children, youth and families involved in the child welfare and juvenile probation systems.
- Engage families through a more individualized casework approach that emphasizes family involvement.
- Increase child and youth safety without an over-reliance on out-of-home care.
- Improve permanency outcomes and timelines.
- Improve child, youth and family well-being.
- Decrease recidivism and delinquency for youth on probation.

The methodology for allocation of the Title IV-E Project funds is as follows:

1. Title IV-E Project Base – The federal base allocation for Cohort 1 is the county's average of Federal Fiscal Year (FFY) 2003 through FFY 2005 Title IV-E actual expenditures for administration and assistance. The federal base allocation for Cohort 2 is the county's average of FFY 2008 through FFY 2012 Title IV-E actual expenditures for administration and assistance. Both cohorts have an assistance growth factor based on the annual California Necessities Index and an administrative growth factor based on a three year moving average in expenditures for each year.

If the state experiences a significant unanticipated increase in either payments to families or administrative costs that exceed the growth rate and are unrelated to the implementation of the Project (e.g., stemming from federal, state or county policy changes, court orders, or other external factors), the Administration of Children and Families may consider an adjustment to the base allocation.

Note: Subject to Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Blumenfield) General Fund (GF) dollars for CWS has been realigned.

2. Non-Base Title IV-E Project – These are new activities that are not included in the Project Base as well as those existing funds not included in the Project Base. Some of these activities may be federal Title IV-E eligible; however, since the federal Title IV-E Project allocation cannot be increased, only the GF amount is provided for each of these activities using the same methodology as for the remaining counties.

Note: Subject to Senate Bill 1020 (Chapter 40, Statutes of 2012) GF dollars will be included for new state mandated activities.

3. Non- Title IV-E Project Allocation – These funds are for all other activities within CWS that are excluded from the Project. These funds include any allowable Title IV-E claims from counties not participating in the Project; any

allowable Statewide Automated Child Welfare Information System (SACWIS) (CWS/CMS) development or operational costs; any allowable Title IV-E foster care licensing activities and 50 percent training; any allowable staff, provider, or professional partner training costs; all eligible youth who are at least age 18 but have yet attained the age of 21; and any allowable adoption costs including Adoptions Assistance Payments. The federal Title IV-E share of costs for these activities is not subject to a cap. The funds for these activities were distributed to all counties in the same methodology as in previous years. In addition, the evaluation costs are outside of the Project and considered non-Project expenditures.

DEFICIT REDUCTION ACT (DRA) IMPLEMENTATION ACT of 2005 for Title IV-E Reimbursement of Administrative Costs

The DRA, Public Law 109-171, amended Title 4, Section 472 and Section 473 of the Social Security Act that governs the Federal Foster Care Maintenance Payments and Adoption Assistance programs was signed into law on February 8, 2006. In addition, ACYF-CB-PI-06-06, dated August 23, 2006, provides guidance on effective dates regarding the new DRA provisions in Title IV-E and information on submitting claims for Federal Financial Participation.

The statutory provisions under the DRA limit Title IV-E reimbursement of administrative costs to a period of not more than one calendar month when a child moves from a federally ineligible facility into a foster family home or child care institution licensed or approved by the State.

Administrative Costs for Children in Ineligible Facilities

County Welfare Department (CWD) staff time study to selected codes designating the type of activity (e.g., eligibility determination, case management, training, etc.) they perform. The associated costs are then discounted by applying the ratio of federal to nonfederal children in foster care to determine Title IV-E eligible costs. Effective February 8, 2006, the DRA limited Federal Financial Participation for such costs when a child moved from an unlicensed, unapproved or otherwise unallowable Title IV-E facility (i.e., non-foster care settings such as juvenile detention facilities, hospitals or emergency shelter care facilities with more than 25 beds), to a federally eligible facility. Allowable administrative costs are limited to one calendar month immediately preceding the child's movement to the eligible facility.

To comply with the DRA change, effective February 8, 2006, counties will determine allowable Title IV-E administrative costs by identifying otherwise Title IV-E eligible children placed in non-foster care settings and tracking their transition to eligible facilities. Each county will develop and maintain a manual process that accurately identifies when a child is counted as a nonfederal case versus a federal case based on their eventual placement into a federally eligible

facility. The federal/nonfederal case count from this manual process will be used to adjust the nonfederal discount rate applied to determine Title IV-E eligible costs on the CEC as follows:

The number of children whose foster care cash grant is paid with federal versus nonfederal funds will be obtained from the same data source used for preparing the original assistance claims. These numbers will be adjusted as follows to reflect the one calendar month provision in the DRA.

- a. When a child transitions from an ineligible to an eligible facility, the nonfederal count will be decreased with an offsetting increase to the federal count to coincide with eligible Title IV-E administrative time (i.e., the one calendar month immediately preceding the child's movement to an eligible facility).
- b. The tracking described in Item (a) above will be maintained in a manner that correctly reflects the child's time in an ineligible facility.
- c. Federal and nonfederal persons count data will be carried forward to the County Expense Claim, Form DFA 325.1.
- d. The CEC automated system will calculate the ratios of federal and nonfederal persons to total foster care cases. These ratios will be applied to total foster care administrative costs consistent with the methodology in the current federally-approved CWD CAP to identify eligible Title IV-E administrative costs. The applicable language in the current CAP is as follows:

"The ratios of Nonfederal children to total Foster Care (FC) or Adoptions Assistance children served by the CWD during the quarter is developed and applied to all eligible Adoption Assistance and FC costs in order to equitably distribute Title IV-E Federal funds on behalf of federally-eligible children. "

Examples

An otherwise Title IV-E eligible child who had been hospitalized beginning September 1, 2006, is moved from the hospital to a licensed foster family home on January 25, 2007. Federal Financial Participation (FFP) may be claimed beginning December 1, 2006 through January 25, 2007, and for as long as the child remains federally eligible and in a federally eligible facility.

An otherwise Title IV-E eligible child is removed from home on November 15, 2006, is immediately placed into a county's federally ineligible receiving shelter and remains in that shelter until December 2, 2006, at which time the child is moved to a licensed foster family home. Administrative costs associated with the otherwise Title IV-E eligible child can be claimed beginning November 15, 2006.

An otherwise Title IV-E eligible child is transitioning from a detention facility to a Title IV-E eligible foster care placement. Administrative costs associated with the child, e.g., case management, may be claimed for the calendar month that immediately precede the month in which the child moves to the licensed facility. For example, if the child is moved from a detention center to a licensed group home on January 15, 2007, administrative costs associated with the child may be claimed beginning December 1, 2006.

Justification to Use Current Methodology:

California's federally approved cost allocation plan currently provides for the allocation of Title IV-E administrative costs based on the ratio of federally eligible cases to total Foster Care and Adoption Assistance cases served by the CWD. This basic methodology is applicable for distributing Title IV-E costs to comply with the one-calendar month provision in the DRA and will be used for that purpose. Under this methodology, the federal count will be adjusted to reflect only those months in which the proportionate share of total foster care administrative costs will be allocated to Title IV-E, based on a child's placement in an eligible facility.

AB 118 (Realignment 2011)

Effective July 1, 2011, AB 118 realigns the funding for the Adoption Services, Foster Care (FC), Child Welfare Services (CWS), Adult Protective Services (APS), and Child Abuse Prevention, Intervention & Treatment (CAPIT) programs, including individual county distribution and details of the methodology for the counties participating in the Title IV-E California Well-Being Project. This means the funding for these programs has been shifted from the State to the Counties. Specified tax (sales & use tax) revenues will be redirected by the State to the Counties on an ongoing basis to cover costs previously funded by the State. Additional information on Realignment 2011 pertaining to FY 11/12 is addressed in the following CFLs: CFL 11/12-18 and CFL 11/12-39. Should funding be insufficient, counties will provide the required matching funds.

The CEC process will not change. However, effective with the September 2011 quarter claim, all costs will be covered by the county with realignment funding using the State-Use-Only overmatch codes. This will be accomplished by setting the affected allocation's ledger to zero for the realigned program ledgers. For the affected programs, the allocation on the Ledger Tracking System Status Report will be blank where an allocation amount would normally appear.

Peer Quality Case Review (PQCR) Methodology

~~PQCR~~ costs are required to be cost allocated to all programs which benefit from the activities performed during the case reviews. The description of the ~~PQCR Case Review~~ cost allocation methodology is as follows:

1. Cost allocation must include all programs benefiting from activities and/or services benefiting PQCR. These programs include the Independent Living Program, Child Welfare Services, Minor Parent Services, Promoting Safe and Stable Families, Child Abuse Prevention Intervention and Treatment, Family Preservation Program, Supportive Transitional Emancipation Program, Transitional Independent Living Plan, Supportive and Therapeutic Options Program, and Emergency Assistance-Emergency Response.
2. The State has conducted a review of PQCR activities. Based on this review, it was determined that the most accurate and reasonable methodology for allocating the costs of these activities was a methodology based upon a statewide total of counties' social worker time study hours which benefit PQCR activities. The determination of PCs benefiting the PQCR activities was based upon descriptions of the time study codes and discussions with CDSS program staff.
3. The Title IV-E eligible costs continue to be charged to PC 088 PQCR. The remaining costs are charged to PC 828. This code is subject to Assembly Bill (AB) 118 (chapter 40, statutes of 2011) and ABX1 16 (Blumenfield) which realigned the funding of CWS. Therefore, PC 828 is realigned and funded with the County Welfare Department's local revenue fund.

County Welfare Departments are required to take the following steps in allocating and claiming PQCR costs:

1. Activities should be time studied to Time Study Codes 0881 and 8281 and/or charged to program identifier numbers (PINs) for PC 088 and PC 828.
2. Using the PQCR allocation methodology, non-Title IV-E costs are reallocated according to the percentages in the methodology. Effective July 1, 2016 the methodology for FY 2016-17 is based on FY 2015-16 statewide allocation percentages and is shown next:

CODE	PROGRAM NAME	RATIO	PROGRAM
088	Peer Quality Case Review	0.6506	Title IV-E
828	Non IV-E PQCR	0.3494	State General Fund

Certification

The certification is required by the State Controller's Office. Payments of Federal and State funds held in trust for specific programs or purposes cannot be disbursed without certification by officials responsible for the obligations and disbursements of such funds. In the event this responsibility is delegated to another official, the name and title of the representative signing the certification

must be shown. Certification is provided on the Expenditure Certification for the CWD CEC.

County Probation Department (CPD) Costs

To obtain the pass-through Title IV-E funds, a Memorandum of Understanding (MOU) must be developed and implemented between the County Welfare Departments (CWD) and the County Probation Departments (CPD). The MOU outlines the roles and responsibilities of each department regarding the pass-through of Title IV-E funds (refer to [MPP Handbook section 29-405](#)). <http://www.dss.cahwnet.gov/ord/entres/getinfo/pdf/opsman7.pdf>

The MOU also defines the following:

- Method that will be used to develop an Indirect Cost Rate proposal.
- Time study requirements.
- The process of notifying the CWD of claimable expenditures (typically via an invoice process).
- How the funds will be disbursed.
- The billing methodology.
- Ensures compliance with federal Title IV-E program requirements.

Further details regarding CPD costs can be found in [CFL 14/15-29](#). http://www.dss.cahwnet.gov/lettersnotices/EntRes/getinfo/cfl/2014-15/14-15_29.pdf

TRIBAL AGREEMENTS

The Karuk Tribe of California

On March 14, 2007, the California Department of Social Services (CDSS) and the Karuk Tribe of California signed a tribal/state Title IV-E agreement in California. The Tribe's Child Welfare Services (CWS) Plan was submitted to the Administration for Children and Families (ACF) for approval in early summer 2008. It was approved by ACF and was effective July 1, 2009. The CDSS has provided the Karuk Tribe with training on fiscal claiming procedures, Title IV-E eligibility screening, data reporting requirements and CWS/Case Management System (CMS) training. The CDSS has also provided and will continue to provide training and technical assistance regarding child welfare policies and procedures to ensure Title IV-E compliance. The tribe is responsible for the Foster Care placement of the children for which they choose to take jurisdiction, for family reunification/family maintenance services and permanency planning for these children, including adoption (Adoptions Assistance Program).

The Yurok Tribe of California

The Yurok Tribe initiated negotiations of a Tribal/State Title IV-E Agreement in August 2007. The state agreement was signed effective May 28, 2010. The Tribe's Child Welfare Services (CWS) Plan was submitted to the Administration for Children and Families (ACF) and approved effective July 2016. The CDSS will be providing the Yurok Tribe with training on fiscal claiming procedures, Title IV-E eligibility determinations and CWS/CMS training. The tribe will be responsible for the Foster Care placement of the children for which they choose to take jurisdiction, for family reunification/family maintenance services and permanency planning for these children, including customary adoption (Adoption Assistance Program).

Attachments

The following attachments are an integral part of this CAP:

- Attachment A: Description of Cost Pools on the DFA 325.1, Expenditure Schedule
- Attachment B: DFA 325.1, County Expense Claim – Expenditure Schedule
- Attachment C: Program Code Descriptions, Time Study Information
- Attachment D: Standards for Random Moment Time Study (RMTS)
- Attachment E: Time Study Forms, DFA 7, DFA 10
- Attachment F: County Time Study on Randomly Selected Days
- Attachment G: Matrix – Time Study and Non-Time Study Codes
- Attachment H: Enhanced Federal Financial Participation for Medi-Cal Eligibility Expenditures**

DESCRIPTION OF COST POOLS ON THE DFA 325.1, EXPENDITURE SCHEDULE

Descriptions of cost pools on the DFA 325.1 include examples of activities/expenses as follows: (This is not an all-inclusive list.)

I. Casework Costs

These are costs for the salaries and benefits paid to caseworkers and their first-line supervisors. Time study hours, or observations, for caseworkers are summarized by program/function for subsequent use in the allocation process.

Social Workers – Includes casework staff performing social services functions at the County Welfare Department (CWD) complex, including Social Services Workers, Services Aides, Adoption Workers, and Appeals Workers.

Employment Services Workers – Includes casework staff providing employment training services, case management and needs assessment for the CalWORKs, Refugee Employment, CalFresh Employment and Training and other county employment programs as well as referrals for service; also includes appeals workers preparing for and presenting information at hearings.

Eligibility Determination Workers – Includes casework staff (e.g., eligibility workers, quality control/assurance workers, etc.) performing eligibility determination/income maintenance activities, diversion activities, case file and data collection activities, authorization of Emergency Assistance services, CalFresh certification and CalFresh Quality Control, eligibility functions (budget computations) and Child Support fiscal and case budget activities.

Fraud Investigators – Includes casework staff performing welfare fraud investigation and prosecution activities, preparing investigative and statistical reports, i.e., activities directly related to clarifying an allegation of fraud. Welfare Fraud investigative staff must have “peace officer” status.

II. Support Staff Costs

These are costs for salaries and benefits paid to employees performing clerical and administrative activities in support of the CWD. They are further refined to separate Direct-to-Function and Direct-to-Program Management Supervisors from clerical. This permits counties to isolate staffs who are truly administrative for budget justification and administrative CAP implications. These cost pools would generally be described as follows:

General Costs – Salaries and benefits of full-time or part-time generic staff (e.g., Director, Deputy Directors, administrative professionals, supervisors, managers, clerical or other similar staff) who perform activities that have department-wide benefit.

General/Direct-to-Program Costs – Salaries and benefits of generic staff (e.g., administrative professionals, supervisors, managers or other similar staff) who are assigned on a less than full-time basis to perform activities on behalf of a specific program.

Direct-to-Function Costs-Program Administration – Salaries and benefits of full-time or part-time administrative professionals, supervisors, managers or other similar staff who oversee or are otherwise responsible to support a particular function(s) but are unable to identify time to specified programs. Staff would time study to the appropriate function.

Direct-to-Program Costs-Program Administration – Salaries and benefits of full-time or part-time CWD administrative professionals, supervisors, managers, or other similar staff who oversee or are otherwise responsible to support line staff for a specified program(s). Examples may include: first and second line supervisors of program units/section, program managers and program specialists.

Direct-to-Function Costs-Clerical – Salaries and benefits of full-time or part-time clerical staff that perform clerical activities for caseworker staff responsible for a specific function(s). Staff would time study to the appropriate program.

Direct-to-Program Costs-Clerical – Salaries and benefits of full-time or part-time clerical staff that perform clerical activities in direct support of caseworker staff assigned to specific programs. Staff would time study to the appropriate program.

III. Support Operating Costs

CWDs may elect to direct charge support operating costs to a function or program or allocate costs using allocable caseworker time study hours/observations or total paid caseworker hours for a quarter. The options made available will be based on an individual CWD's ability to compile and identify different costs to a function or program. Those costs that are direct charged to a function or program must be done so based on an appropriate methodology. The support operating costs, which typically have a department-wide benefit to all programs and cannot be direct charged to function or program, will be totaled and distributed to the five functions based on a ratio of the total caseworker allocable hours/observations or total paid caseworker hours for the quarter. CWDs will submit a letter of intent to

California Department of Social Services (CDSS) to use the direct charge methodology. The letter will be reviewed by CDSS for completeness and a copy of the letter will be kept on file with the CWD for audit purposes.

Travel

These are costs of employee mileage allowances; parking fees; transportation fares; per diem expenses; purchase, rental or lease of cars; fuel; car maintenance and repairs; garaging; and car insurance.

CWD Space and CCAP Space

These are costs of office space rental, depreciation, use allowance, or special agreement approved space; building repairs which are capitalized; alterations-lump sum if less than \$25,000, or amortized over three years if more than \$25,000; parking lots-leased or county-owned; maintenance if part of the lease agreement; and the unbilled portion of any rent or alteration cost paid from a county central support department and not previously billed to the CWD.

This group does not include the following costs:

1. Space used by staff development personnel for training or administrative purposes, if the space is separate from the CWD complex.
2. Space used for separate service centers, such as emergency shelter care facilities or client child care centers.
3. Space used for CalFresh issuance or storage, if the space is separate from the CWD complex.

Other Operating Costs

These are costs of advertising for employment, contract bids; conference fees; insurance; interpreters; purchase, lease, rental, maintenance and repair of general office equipment; EDP equipment used solely for administrative purposes, e.g., word processors; fingerprinting fees; medical exams for employees; operating costs of employee child care centers, clinics, and gyms; overtime meals; printing; memberships, publications and subscriptions; professional services, including management studies, audits, surveys; purchase of forms, supplies and postage; refuse pick-up; security alarms and guards, if not for CalFresh issuance; temporary help from employment agencies and pagers. Equipment for public assistance programs that exceeds \$25,000 is claimed through an annual use allowance of six and two-thirds percent or depreciated over the useful life of the item. Useful life is

determined based on Internal Revenue Service (IRS) property classifications. CWDs are instructed to use the most current IRS regulations that apply. Equipment for non-public assistance programs that exceed \$5,000 is capitalized in accordance with OMB Circular A-87, Attachment B, Paragraph 19 (a)(2).

This subgroup does not include operating costs of service centers that are itemized on the Direct Cost Input Schedule.

Purchase of Services – Public/Private Agencies – CCAP

These are costs for administrative services provided to the CWD by other county central support departments which are either allocated or directly billed to the CWD. These are costs necessary for the administration of Federal Programs. Examples of these services include: central collections, County Counsel, Auditor-Controller, communications and insurance.

The costs are divided into three sub-categories to separately identify direct-billed, County Counsel and allocated costs. County Counsel costs must be direct billed to the benefiting program(s) or can be charged to Purchase of Services if these costs benefit all of the CWD. All direct-billed and allocated costs are reported to generic. In non-adoption counties where the CDSS operates the Adoption Programs, costs for County Counsel services performed for the Adoptions Program are to be reported direct to function and program; costs for all other County Counsel services are identified to function or generic, based upon the plan submitted by each non-adoption county. Costs may be claimed in this category only when the central service department is authorized in the CCAP to do so.

Purchase of Services – Public/Private Agencies – Direct Billed – Non-CCAP

These are costs for administrative services purchased from other county operating departments via an interagency or cooperative agreement, as specified in 45 CFR 95.507(6), and purchase of services costs from private agencies. Costs may be claimed as generic or direct to function/program.

IV. EDP Costs

These are EDP personal service and operating costs of the CWD and EDP services purchased from a private or public agency. If purchased from a public agency, such costs must be included in the CCAP, whether allocated or direct-billed. EDP equipment acquired at a unit cost that exceeds \$5,000 is subject to depreciation. The unit costs specifically refer to the cost of one piece of EDP equipment.

Prior to claiming EDP costs, the following requirements must be met:

1. All EDP equipment acquisitions and developmental projects must have prior federal and state approval as required in federal and state EDP regulations.
2. The EDP M and O costs are subject to CDSS review and approval in accordance with State EDP reporting standards.
3. The EDP services provided to the CWD by a central support data processing facility must be supported by a service agreement which specifies the services to be provided and the rates to be charged. Central support data processing operations must be included as part of the CCAP. Central support EDP costing methodologies are subject to the approval of the State Controller's Office.

CWD Allocable Personal Services

These are the allocable salaries and benefits for M and O and development activities of:

1. The CWD data processing staff assigned to perform EDP activities. Activities include system design, programming and computer operation.
2. First-line supervisors of the above and other administrative support staff performing activities which benefit the EDP function.
3. Clerical staff assigned in support of the above.
4. The prorated salary of CWD non-EDP staff performing EDP developmental activities on a temporary or intermittent basis.

CWD Direct Personal Services

These are direct-to-program salaries and benefits for M and O and development activities of:

1. The CWD staff assigned to coordinate site preparation and implementation, LAN administration and training and conversion for developmental projects. Activities include system design, programming and computer operation.
2. First-line supervisors of the above and other administrative support staff performing activities which benefit the EDP function.

3. Clerical staff assigned in support of the above.
4. The prorated salary of CWD non-EDP staff performing EDP developmental activities on a temporary or intermittent basis.

CWD Operating Costs/Purchase of Services Non-CCAP

These are costs for the following CWD operating costs and services purchased from public/private vendors. Costs may be claimed to generic or direct to function/program.

1. EDP equipment directly attributable to an EDP system. Allowable equipment costs include depreciation for equipment which is either purchased, lease-purchased or acquired under a lease-with-option-to-purchase agreement (exclusive of unallowable financing costs); or payments for leased equipment.
2. Software for programs which are leased or purchased and are used in the EDP equipment above.
3. Supplies used in the processing of information through the EDP system, including the costs of maintenance agreements on the above equipment.
4. Services for M and O, design, development, or installation purchased from a private vendor.

Public Agencies/Purchase of Services – CCAP

These are costs for M and O, design, development or installation acquired from a central support data processing facility which are either allocated or directly billed to the CWD through the CCAP. All costs are reported to generic.

V. Staff Development Costs

This cost pool includes salaries and benefits paid to employees performing staff development activities and costs associated with the operation of the staff development office.

CWD Personal Services/Operating Costs

These are costs for:

1. Salaries and benefits of staff development trainers; first-line staff development supervisors and non-supervisory staff development

administrators; and clerical staff assigned to the staff development office.

2. Supplies and equipment for the staff development office.
3. Travel and per diem of staff development trainers.
4. Space, if separate from the welfare administrative complex and rental space for training classes.

Purchase of Services/Direct Costs of Trainees

These are costs for:

1. Salaries and benefits or stipends of trainees who meet the criteria established in the CDSS Manual of Policy and Procedures, Division 14.
2. Tuition, books, travel, per diem, supplies and education materials of trainees attending specified types of in-service and out-service training.
3. Contracted public or private sector trainers and consultants.
4. Payments made to educational institutions for the development and provision of training, including: salaries, benefits and travel of instructors and clerical support staff; teaching materials and equipment; and indirect costs if the education institution has a federally-approved indirect cost rate. Indirect costs cannot be claimed at the enhanced Title IV-E rate if the costs are not based on the criteria set forth in 45 CFR 235.64.

VI. Direct Costs

Costs included here are identified to specific programs within the applicable function and/or program: Social Services, CalWORKs, Other Public Welfare Programs, Child Care and Nonwelfare, and itemized on the Direct Cost Input Schedule. Direct costs for CalWORKs and Child Care are further identified as unemployed/employed. Applicable costs may include: expenditures made on behalf of CWD clients; costs associated directly with the administration of grant maintenance activities, under specific circumstances; costs, such as CWD support operating costs and overtime salaries and benefits, which can be accurately determined to benefit a specific program; and start-up or one-time only costs, etc. CWDs also have the ability to charge overhead costs based on a particular methodology (e.g., square footage, full time equivalents, or per unit cost, etc.) provided that their intent to do so, and the chosen methodology is submitted to CDSS on the Direct Charge Methodology Certification. Direct costs are summarized and totaled by function.

VII. Program Fund Distribution – DFA 327 Series

Once the functional salary, allocable support, EDP and staff development costs have been allocated and direct costs charged to the appropriate program, they are processed through a series of computations to arrive at the proper federal, state and county share of cost for each program. Forms DFA 327.1 through DFA 327.5 are used for this purpose.

In addition, these pages are utilized to perform the shifts needed to allocate the proper funding for programs. The shifts which occur on these pages are as follows: Public Assistance CalFresh (PACF) Caseload Shift; Federal/Non-Federal Persons Count for Foster Care and Adoptions; California Food Assistance Program (CFAP) Shift; Two-Parent Family Caseload Shift; The One-Third Initial Eligibility Shift; and the Emergency Assistance (EA)-Crisis Resolution (CR) Case Management (CM) Unit Cost Shift.