



STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
744 P Street • Sacramento, CA 95814 • [www.cdss.ca.gov](http://www.cdss.ca.gov)



EDMUND G. BROWN JR.  
GOVERNOR

September 28, 2018

COUNTY FISCAL LETTER (CFL) NO. 18/19-25

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY AUDITOR CONTROLLERS  
ALL COUNTY PROBATION OFFICERS  
ALL TITLE IV-E AGREEMENT TRIBES  
ALL COUNTY ELECTRONIC BENEFIT TRANSFER PROJECT  
MANAGERS

SUBJECT: COUNTY WELFARE DEPARTMENT (CWD) COUNTY EXPENSE  
CLAIM (CEC) TIME STUDY AND CLAIMING INSTRUCTIONS FOR THE  
DECEMBER 2018 QUARTER

This CFL provides counties time study and claiming instructions for the October through  
December 2018 quarter, which includes information and reminders regarding the  
following functions/programs:

**I. Social Services**

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The Program Code Descriptions (PCDs) and Support Staff Time Reporting (SSTR) instructions for county use during the October through December 2018 quarter are as follows:

<b><u>Section</u></b>	<b><u>Revised Quarter</u></b>
Social Services	12/18
CalWORKs	03/18
Other Public Welfare	12/18
Child Care	03/17
Non-Welfare	09/05
Staff Development	09/07
Electronic Data Processing	06/18
Support Staff Time Reporting Instructions	06/06
Direct-to-Program (DTP)/Function Support Staff Codes	06/18
Direct Service Delivery (DSD) Codes	06/18
General Time Study Instructions	03/17
Type of Expense (TOE) Codes	06/18

For the latest version of the PCD manual, please go to the following link:

<http://www.cdss.ca.gov/inforesources/Letters-Regulations/Letters-and-Notices/County-Fiscal-Letters>.

Please note that any changes to the PCDs and/or SSTR instructions may be shown in bold for addition of new language and strikeout for deletion of language.

## I. Social Services

### A. Child Welfare Services/Case Management System (CWS/CMS) Data Clean-up Activities

The [CFL No. 18/19-09](#), dated September 7, 2018, provides updated CWS/CMS percentages for the CWS/CMS Data Clean-up activities as described in [All County Letter \(ACL\) No. 17-60](#) dated June 22, 2017. In FY 2016-17, federal funding was made available for a limited time for CWS/CMS Data Clean-up activities.

### B. CCR Second Level Administration State Use Only (SUO) Codes Title Changes

The [CFL No. 17/18-68](#), dated June 12, 2018, titled State Use Only (SUO) Code 953 as “SUO – CCR 2nd Lev Admin Case Mgmt Child Welfare Services (CWS)” and SUO 899 as “CCR 2nd Level Admin Case Mgmt CCR.” With the issuance of this CFL, the titles for these SUO Codes have changed, although the function of the SUO Codes remains the same. The SUO 953 will be re-titled as “SUO Reduce CWS GF %” which reduces the state portion of expenses claimed to PC 148 (CWS – Case Management) by 0.02 percent to account for Second Level Administration Review expenditures. Additionally, SUO 899 will be re-titled “SUO Increase CCR %” and shifts costs claimed to SUO 953 to Ledger 167 (General CWD CCR) to access the State General Fund CCR allocation.

<u>SUO</u>	<u>Old title</u>	<u>Revised Title</u>
953	SUO – CCR 2nd Lev Admin Case Mgmt Child Welfare Services (CWS)	SUO Reduce CWS GF %
899	CCR 2nd Level Admin Case Mgmt CCR	SUO Increase CCR %

### C. Services Only Rate Implementation

As a part of the CCR implementation, a Services Only Rate has been established to allow counties to secure additional services and supports for youth placed with Resource Families who are not affiliated with a Foster Family Agency (FFA) who have transitioned from a Group Home/Short Term Residential Therapeutic Program (STRTP) placement or to prevent youth placed with Resource Families not affiliated with an FFA from transitioning to a STRTP. For additional information on the Services Only Rate, please refer to [CFL No. 18/19-02](#), dated July 31, 2018.

## II. CalWORKs

No changes.

### III. Other Public Welfare

#### A. CalFresh Employment and Training (E&T) Code Title and Description Updates

Effective with the September 2018 quarter, the titles of the following CalFresh E&T PCs are being changed to reflect standardized naming conventions in the CalFresh E&T program:

<u>PC</u>	<u>Old title</u>	<u>Revised Title</u>
364	50 Percent Reimbursement - Additional Administrative Activities	CalFresh E&T 50 Percent Reimbursement - Additional Administrative Activities
464	CFET Administrative Activities	CalFresh E&T Administrative Activities
468	CFET Participant Reimbursement	CalFresh E&T Participant Reimbursement
866	CFET Third Party Provider - Participant Reimbursement	CalFresh E&T Third Party Provider - Participant Reimbursement

Additionally, the PCD for TSC 4641 has been updated to reflect the standardized naming convention and has been streamlined to reduce redundancy.

#### CODE 4641 CFET **CALFRESH E&T** ADMINISTRATIVE ACTIVITIES

This reporting code includes staff time associated with the following activities:

- Conducting assessment, placement, and case management activities for ~~CFET~~ **CalFresh (E&T)** program participants;
- Assessing and arranging for supportive services; and
- Administering ~~CFET~~ **E&T** activities, including conducting ~~CFET~~ **E&T** training.
- ~~Monitoring and tracking CFET participation;~~
- ~~Discussing and disseminating materials related to nonmedical, alcohol, and other drug rehabilitation services to CFET participants.~~

*This code may also be used to claim allowable costs that are necessary, reasonable, and directly related to planning, implementation or operation of the E&T program.*

**B. Housing Programs Clarification of Sharing Ratio Changes and Claim Adjustments**

The below clarification applies to Housing Programs that require a dollar-for-dollar match, including the Housing Disability Income Advocacy Program (HDAP) and Bringing Families Home (BFH) Programs. Information regarding the upcoming Home Safe program is forthcoming. On page eight of [CFL No. 17/18-79](#), dated June 28, 2018, the following guidance was issued:

*“Counties should make appropriate adjustments reflecting implementation of the ‘Match Instructions Update’ section of this letter back to the December 2017 Quarter. Previously claimed amounts must be reduced by the amount of match that was claimed to PC 956 so only non-match amounts remain.”*

The sharing ratios for PC 956 (HDAP – Administration) and PC 496 (Bringing Families Home) will change from 00/50/50 (Federal [Fed]/State/County) to 00/100/00 (Fed/State/County). This change will be effective back to the inception of the HDAP program in the December 2017 quarter, and the June 2017 quarter for the BFH program. Each county will automatically be reimbursed the county share of any expenditures claimed to PC 956 or PC 496 in prior quarters under the former sharing ratios. No adjustment is needed if the following criteria is met:

- If costs originally claimed at the 00/50/50 (Fed/State/County) sharing ratio were a HDAP/BFH-exclusive expenditure match (not county in-kind or third party in-kind); and
- Sufficient in-kind match will be documented by the end of each program to cover both the original state and county share.

Otherwise, the county must adjust their CEC to reduce the amount claimed to these PCs. As a reminder, any amounts claimed to PC 956 or PC 496 that were county in-kind match or third party in-kind match must be adjusted to reduce the amount claimed (since these amounts may only serve as match and may not be reimbursed as expenditures) and documented as set forth in CFL No. 17/18-79.

For example, if a county initially claimed \$2,000 dollars in HDAP/BFH-exclusive expenditures (not county in-kind or third party in-kind) in the March 2018 quarter, the reimbursement breakdown would be: \$1,000 in reimbursement for the state share and the other \$1,000 in HDAP/BFH-exclusive expenditures was considered to be the county share/match. With the change in the sharing ratio to 100 percent, the county will be reimbursed an additional \$1,000 for a total of \$2,000 in reimbursement. If the county anticipates having at least \$2,000 in documented in-kind match in the future to cover the total reimbursement of these funds, no adjustment is necessary. If the county does not anticipate having enough documented match to cover the reimbursement received due to the change in the sharing ratio, a negative adjustment must be applied to the expenditures so that

the documented match is greater than or equal to the claimed and reimbursed HDAP or BFH expenditures. As with the other instructions provided in CFL No. 17/18-79, this guidance applies to both the HDAP and BFH programs.

**Note: If a county in receipt of state housing funds that require a dollar-for-dollar county match, such as HDAP and BFH, determines that the county will not be able to meet its county match obligation, the county shall inform the CDSS Housing and Homelessness Bureau immediately.**

### **C. Housing Programs Clarification of Cash and In-kind Match Policies**

The below clarification applies to Housing Programs that require a dollar-for-dollar match, including the HDAP and BFH Programs. Information regarding the upcoming Home Safe program is forthcoming. This guidance represents a revision of the “County Costs Eligible For Match” and “Prohibitions” sections of Attachment Four of the [All County Welfare Director’s Letter \(ACWDL\) pertaining to HDAP](#), dated July 27, 2017. This guidance also applies to the BFH program, and it should be seen to supplement and supersede the fiscal guidance provided in Attachment B of the [ACWDL pertaining to BFH](#), dated January 10, 2017.

#### **Private or Public Cash Donations to the County**

Previously, match guidance from CDSS for housing programs that require a county dollar-for-dollar match (e.g. the HDAP and BFH programs) indicated cash contributions/private funds could be used as a part of an expenditure match only under certain circumstances. Under the following revised guidelines, cash contributions to the county by third parties for these program expenses may be used as part of an expenditure match:

- The cash contributions/private funds should be transferred to and spent directly by the county exclusively on HDAP or BFH to be eligible as an expenditure (not an in-kind) match/donation. Funds spent by a third party on behalf of a county are considered an in-kind donation and must follow the rules for in-kind contributions under this program.
- These funds may be donated upon the condition or restriction that they be used for the purpose of the relevant housing program expenses (e.g. HDAP or BFH expenses).
- It is permissible for donated funds that are not completely expended by the county to revert to the donor, if this condition is part of the agreement between the donor and the county.

Note: These state housing programs are not federal programs. However, fiscal requirements provided by CDSS regarding these programs, such as those found in relevant ACDWLs, [CFL No. 17/18-79](#), or any subsequent guidance issued by

CDSS, must be followed. These funds are not subject to federal regulations regarding matching funds.

The Federal Portion of State-Funded Programs and Interim Assistance Reimbursement (IAR)

As previously mentioned in the ACWDL pertaining to HDAP, dated July 27, 2017, the state GF portion of expenditures for state-funded programs may not be used as a match for the HDAP program. Likewise, county funds used as match for other state funded programs may not also be used to draw down state funds for state housing programs requiring a dollar-for-dollar match. However, any federal share of expenditures for county/tribal, state, or federal programs also may be used as an in-kind match, as long as those expenditures are for these state housing program activities. Any federal funds used as a match must be expended in a manner consistent with federal regulations and the federal award's terms and conditions. As a reminder, as stipulated in the ACWDL, dated July 27, 2017, a county may not seek IAR for any portion of expenses or match that is already funded with federal funds. Please refer to the federal regulations for matching in the above references for additional matching requirements.

**IV. Child Care**

No changes.

**V. Non Welfare**

No changes.

**VI. General**

**A. Disaster Claiming Reminder**

As a reminder, all disaster and emergency welfare and non-welfare related activities must be claimed in accordance with the instructions provided in [CFL No. 17/18-31](#), dated October 13, 2017, with an exception related to overtime as discussed below. All expenditures for disaster related activities and emergency response, both welfare and non-welfare, are to be entered on the Disaster Detail Addendum on the CEC. Counties must claim as follows for associated welfare and non-welfare activities:

Non-Welfare Related Activities

All disaster related expenditures being billed to the Federal Emergency Management Assistance (FEMA) and the California Office of Emergency Services (Cal OES) for reimbursement (including overhead costs) must be

reported on the CEC under Extraneous costs. The cost to be reported to Extraneous must be determined by prorating the salaries and benefits of the staff involved in the Disaster Relief activities based on a ratio of the staff's Welfare versus Disaster Relief hours worked. Overhead is to be determined using ten percent of the salary costs attributable to the Disaster Relief activities and is applicable to the portion of the costs not reimbursed by FEMA. Counties must maintain records of staff time spent on performing Disaster Relief activities, including work that was done on behalf of their own county or on behalf of an impacted county.

#### Welfare Related Activities

Counties must report all hours and expenditures associated with performing customary welfare related activities, such as eligibility and case work for CalWORKs or CalFresh (even casework under Disaster CalFresh), to the appropriate PCs/TSCs. Counties which had CWD staff working overtime performing their customary welfare related activities, or were temporarily assigned to process welfare program applications on behalf of their own county, or on behalf of an impacted county, must claim these costs in the usual manner by completing the appropriate time studies.

The following instructions regarding overtime supersedes the CFL No. 17/18-31. As a reminder, overtime is not to be included in any time study hours nor in any salary pool. The [CFL No. 17/18-31](#), inadvertently stated that overtime pay should be claimed in the appropriate salary cost pool. Instead, the overtime pay should be claimed to the appropriate program's Caseworker or Support Staff OT/CTO direct cost Program Identifier Number (PIN) in the appropriate cost pool as required in the [FY 2015-16 California County Cost Allocation Plan \(CCAP\)](#).

#### **B. CEC Data Reporting Reminder**

The following is a reminder and clarification of the data sources to be used to capture the case counts that are reported on the DFA 325.1 (Expenditure Schedule) in the CEC to calculate the ratios for cost shifts. These cost shifts are used to equitably distribute eligibility and case management activities for CalWORKs Two-Parent Families, Public Assistance CalFresh (PACF) and California Food Assistance Program (CFAP) programs costs. Please refer to [CFL No. 17/18-25](#), dated September 29, 2017, and [CFL No. 17/18-25E](#) for more information.

**Please note the [CFL No.17/18-25E](#) has pertinent revisions to the reporting requirements.**



### **C. Indirect Cost Rates (ICRs)**

The CDSS has developed ICRs for use by counties during FY 2018-19 in the enclosed Attachment entitled "FY 2018-19 Indirect Cost Rate (ICR)".

The ICRs are used to identify overhead costs associated with support staff that perform activities for non-welfare programs with no equivalent casework hours. The CDSS' Fiscal Analysis and Allocations Unit develops ICRs based on actual indirect costs (i.e., Travel, Space, Space – County Cost Allocation Plan [CCAP], Other Operating Costs, Public Agencies CCAP and Public/Private Agencies Direct Billed) that were reported as generic by each county for the four quarters of FY 2016-17. The total indirect costs are divided by the total direct salary and benefit costs (caseworker, administrative/clerical support, and Electronic Data Processing (EDP) staff salaries and benefits). The resulting percentages are each county's individual ICR. The CWDs have the option of either using the predetermined ICR developed by CDSS or developing their own ICR specific to allocable support staff.

An ICR developed by a CWD must be developed in accordance with "A Guide for State, Local and Indian Tribal Government-Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government" ([OMB CFR § 200.416](#)) and is subject to audit. The ICRs are applied only to the salaries and benefits of support staff performing activities for non-welfare programs with no equivalent casework hours. Costs associated with support staff performing activities for non-welfare programs with equivalent casework hours are allocated through the CEC.

When applying either the predetermined ICR or one developed by the county, these salaries and benefits plus resulting overhead are reported as Direct Costs on the CEC using PIN 805068 (Non-welfare Programs – Direct Costs) or PIN 806068 (Non-welfare Programs-Non EDP – Direct Costs), and must be removed from the corresponding salary and support operating cost pools. Counties are reminded that all non-welfare program costs must be reported to the Non-welfare function, either as a direct charge through these PINs or through TSCs 8051 (Non-welfare Programs) and 8061 (Non-welfare Programs-Non EDP). These costs will be used to draw down the appropriate share of overhead based on the time study ratios for caseworkers performing non-welfare activities.

### **D. County Cash Claiming/Reporting**

As a reminder, costs must be claimed in accordance with cash claiming requirements set forth in [CFL No. 06/07-06](#), dated July 13, 2006, and federal regulations at [45 CFR § 95.13](#). The CEC is a cash claim and costs must be claimed in the quarter the service is received/rendered and the payment is made. For example, if a service/activity is performed March 30, 2006 and the payment for

service is made April 6, 2006, the costs should be claimed in the June 2006 quarter. The requirement to claim costs on a cash basis through the CEC does not remove a county's responsibility to comply with Generally Accepted Accounting Principles for county financial statements that are used for purposes other than CEC claiming.

Adjustment claims must be submitted in a timely manner to ensure the time limit for claiming federal funds is met. Adjustment claims include corrections to the original quarter submission and cannot include corrections for any other quarters. Due dates for these claims are provided annually in advance in every March quarterly CFL. As outlined in [MPP section 25-965.38](#), counties are required to maintain supporting documentation for all claims and must retain this documentation for three years.

#### **E. CDSS Policy Regarding Late County Expense Claim Submissions**

Due to policy enforcement by the federal Administration for Children and Families (ACF), CDSS needs to report CEC data within 45 days after the quarter ends ([TANF-ACF-PI-2014-02](#)). The ACF requires CEC data for nationwide budgeting and distribution of federal funds. As a result, CDSS is unable to accept late CECs without jeopardizing federal funding for California. In limited circumstances a county may request an extension. Such requests must be received by CDSS at least two weeks before the due date and will need to be requested in writing from the County Welfare Director. Requests for an extension should be sent to:

California Department of Social Services  
County Systems Section  
Accounting and Fiscal Systems Branch  
Attn: Racquel Flanagan, Manager  
744 P Street, MS 9-04-71  
Sacramento, CA 95814

#### **F. Debarment and Suspension**

Pursuant to federal regulations, CWDs must be in good standing with the federal government to receive federal funds. To ensure that CWDs are not debarred nor suspended from federal financial assistance programs by any federal department or agency, CDSS must verify the CWD is not listed on the federal Excluded Parties Listing System prior to issuance of any federal funds.

To ensure accuracy of the verification, CDSS requires submissions of the CWD's exact legal name of the entity and Employer Identification Number (EIN) or Tax Identification Number (TIN) as submitted to the Internal Revenue Service when applying for an EIN or a TIN. If a CWD is operating under multiple names or identification numbers, each name and identification number must be submitted.

The [CFL No. 17/18-70](#), dated June 19, 2018, details the submittal of the EIN/TIN and federal fund monitoring responsibilities.

#### **G. Federal Fund Monitoring Responsibilities**

As a reminder, counties have certain responsibilities for monitoring the expenditures of federal funds. Please refer to [CFL No. 17/18-70](#), dated June 19, 2018, for a description of federal requirements and [a link to the terms and conditions for each federal grant administered by CDSS](#). New terms and conditions will be posted to that link on an ongoing basis.

#### **H. Advanced Planning Documents**

As a reminder, Advanced Planning Documents must be submitted for all Automated Data Processing equipment in accordance with the Administration for Children and Families Action Transmittal (AT) #: [OISM-ACF-AT-93-3](#), dated January 3, 1993. These instructions supersede requirements stated in [Manual of Policies and Procedures, Division 28 Regulations Section 105 \(MPP 28-105\)](#).

If counties have any questions regarding this CFL, please direct them to [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov).

Sincerely,

***Original Document Signed By:***

SALENA CHOW, Chief  
Fiscal Forecasting and Policy Branch

Attachment

**FY 2018-19 INDIRECT COST RATE (ICR)**

Data from FY 2016-17 County Expense Claims

<b>COUNTIES</b>	<b>ICR</b>
ALAMEDA	0.22
ALPINE	0.77
AMADOR	0.36
BUTTE	0.25
CALAVERAS	0.33
COLUSA	0.66
CONTRA COSTA	0.35
DEL NORTE	0.28
EL DORADO	0.33
FRESNO	0.14
GLENN	0.25
HUMBOLDT	0.36
IMPERIAL	0.23
INYO	0.28
KERN	0.16
KINGS	0.22
LAKE	0.25
LASSEN	0.41
LOS ANGELES DPS	0.20
MADERA	0.30
MARIN	0.39
MARIPOSA	0.42
MENDOCINO	0.32
MERCED	0.13
MODOC	0.27
MONO	0.41
MONTEREY	0.21
NAPA	0.29
NEVADA	0.51
ORANGE	0.21
PLACER	0.56
PLUMAS	0.34
RIVERSIDE	0.10
SACRAMENTO-DHA	0.22
SAN BENITO	0.41
SAN BERNARDINO	0.19
SAN DIEGO	0.23
SAN FRANCISCO	0.23
SAN JOAQUIN	0.13
SAN LUIS OBISPO	0.19
SAN MATEO	0.24
SANTA BARBARA	0.13
SANTA CLARA	0.19
SANTA CRUZ	0.22
SHASTA	0.33
SIERRA	0.44
SISKIYOU	0.24
SOLANO	0.24
SONOMA	0.17
STANISLAUS	0.16
SUTTER	0.16
TEHAMA	0.11
TRINITY	0.32
TULARE	0.29
TUOLUMNE	0.17
VENTURA	0.22
YOLO	0.17
YUBA	0.21
LOS ANGELES DCS	0.20
SAC-DHHS-CHILD	0.34
SAC-DHHS-ADULT	0.22
SMATEO DP AGING	0.30
PLACER-ASOC	0.40
<b>STATEWIDE</b>	<b>0.21</b>