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DECEMBER 27, 2016

COUNTY FISCAL LETTER (CFL) NO. 16/17-44

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITOR CONTROLLERS
ALL COUNTY PROBATION OFFICERS

SUBJECT: COUNTY WELFARE DEPARTMENT (CWD) COUNTY EXPENSE CLAIM
(CEC) TIME STUDY AND CLAIMING INSTRUCTIONS FOR THE
MARCH 2017 QUARTER

This County Fiscal Letter (CFL) provides counties time study and claiming instructions for the January through March 2017 quarter, which includes information and reminders regarding the following functions/programs:

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The Program Code Descriptions (PCDs), Support Staff Time Reporting (SSTR) instructions and Type of Expense (TOE) code descriptions for county use during the January through March 2017 quarter are as follows:

<u>Section</u>	<u>Revised Quarter</u>
Social Services	03/17
CalWORKs	12/16
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General Time Study Instructions	03/17

For the latest version of the PCD manual, please go to the following link: <http://www.dss.cahwnet.gov/lettersnotices/PG959.htm>. Please note that any changes to the PCDs and/or SSTR Instructions may be shown in bold, underline or strikeout format.

I. Social Services

A. Child and Family Team (CFT)

The [All County Letter \(ACL\) No. 16-84](#), dated October 7, 2016, provides counties with information regarding CFT activities. Information regarding the claiming instructions and new Program Codes (PCs) was released in [CFL No. 16/17-22](#), dated October 11, 2016.

B. Foster Youth Services Coordinating Program (FYSCP)

As outlined in [ACL No. 16-91](#), dated November 29, 2016, in addition to normal case management activities for children already in the child welfare services system, the federal government allows Title IV-E reimbursement for administrative activities associated with increasing educational case management services for foster youth. The California Department of Social Services (CDSS) allows counties to pass on Title IV-E funds to County Offices of Education (COEs), that perform eligible administrative activities for children currently placed in foster care.

Time Study Instructions

None.

Claiming Instructions

Before claiming can begin, the following must be in place in order for COEs to draw down Title IV-E funds (See [ACL No. 16-91](#) for further details):

- Counties must prepare a Memorandum of Understanding (MOU) (template MOU attached to [ACL No. 16-91](#)) between the CWD and the COE (see [Education Code section 42925\(a\)](#) for more information). Counties that already have a MOU in place and are already passing through Title IV-E funds to the COE need not develop another MOU using the template.
- Counties with a current MOU must utilize the MOU template and submit a completed and signed version to the CDSS certifying the county will adhere to the applicable provisions associated with claiming Title IV-E reimbursement and will assume responsibility for any future disallowances. Completed and signed MOUs should be submitted to:

California Department of Social Services
Foster Care Audits and Rates Branch
Funding and Eligibility Unit
744 P Street, Sacramento, CA 95814
M.S. 9-6-38

PC 119 - Public Agency IV-E Pass-through and its Program Identifier Number (PIN) 119069 can be used to claim reimbursement for eligible Title IV-E administrative activities in the FYSCP program once MOU is in place. While many activities performed by the FYSCP staff are eligible for Title IV-E reimbursement, it is important to understand that not all activities are eligible for Title IV-E. For example, providing direct services to foster youth, such as delivering, facilitating or arranging services are not considered administrative and are not a claimable expense under Title IV-E. Additionally, the MOU states both

parties agree to coordinate activities for foster youth so there is no duplication of activities performed by the CWD or COE.

The COE must certify the quarterly expenditures and submit an invoice to the CWD. Prior to the submittal of the quarterly invoice, the CWD will provide the COE the calculated Title IV-E non-federal discount rate to account for the non-federally eligible cases served by the COE. The COE will then apply the Title IV-E non-federal discount rate to the total costs and subtract that amount from the total costs. The net result is multiplied by the 50 percent federal financial participation rate. The CWD must ensure the non-federal costs have been removed from the COE's total expenditures before submitting the costs to CDSS for reimbursement. The net amount is then claimed to PIN 119069 on the CEC.

The Title IV-E non-federal discount rate is applied to PC 119 prior to being claimed to the CEC.

PC	119	Public Agency IV-E Pass Through
PIN	119069	Public Agency IV-E Pass-Through
The sharing ratio for this code is 50/00/00/50 (Federal/State/Health/County)		

The county share may be provided by the COE who is performing the eligible administrative activities provided the funds used as the county share meet all matching requirements for federal Title IV-E and are not used as a match for any other federal or state fund source per [Title 2 Code of Federal Regulations 200.306](#).

C. Child Welfare Services – New System (CWS-NS) Intake Implementation Module

The [CFL No. 16/17-37](#), dated November 29, 2016, provided counties with the Child Welfare Digital Services County Participation allocation and claiming instructions for Fiscal Year (FY) 2016-17. The General Fund allocation includes funding for costs associated with project participation activities for the intake module. Counties should utilize PC 528 (CWS-NS Development and Implementation) to report personnel services and associated overhead and expenses for participation in development and implementation activities related to the project.

D. Foster Parent Recruitment Retention and Support (FPRRS) Child Care

The [ACL No. 16-52E](#), dated October 7, 2016, provides counties with information regarding FPRRS Child Care activities. Information regarding the FPRRS Child Care claiming instructions were released in [CFL No. 16/17-20](#), dated November 18, 2016.

E. Commercially Sexually Exploited Children (CSEC)

The [County Fiscal Letter \(CFL\) No. 15/16-41](#), dated January 25, 2016, provided counties with claiming instructions for the federally mandated activities associated with identifying and protecting children and youth at risk of sex trafficking, as required by the Preventing Sex Trafficking and Strengthening Families Act (Public Law 113-183). The CFL No. 15/16-41 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:

- Are in the welfare system, but not yet been placed in foster care.
- Or have run away from foster care (CPDs or CWDs).

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.

Effective with the March 2017 quarter, CDSS has updated claiming instructions 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. The addition of these PC and PINs will assist in the tracking and identification of commercially sexually exploited children who are at risk of being placed into foster care (if services fail).

CODE 9511 – Federal Preventing Sex Trafficking and Runaway Activities – Pre-Placement

Allowable administrative pre-placement activities should be reported to TSC 9511 and are limited to those directly related to the Federal Sex Trafficking and Runaway program provisions. These activities are codified in state law in Welfare and Institutions Code (WIC) sections 16501.1(f)(19), 16501.35, 16501.45 and Penal Code section 11166(j)(2)-(3). These activities include the following:

- Developing and implementing policies and procedures for identifying, documenting and determining services for children and youth who are victims or at risk of sex trafficking.

- Developing and implementing specific protocols for expeditiously locating and responding to children who run away from foster care, including screening youth for commercial sexual exploitation.
- Identifying, documenting and documenting services for children and youth who are victims or at risk of sex trafficking, including conducting human trafficking screenings, documenting victims in case files, determining appropriate services, including referrals to services and completing reports required for law enforcement.
- Reporting to law enforcement instances of sex trafficking when a child or youth receiving child welfare services is identified as a victim.
- Reporting when a child or youth receiving child welfare services, who is reasonably believed to be the victim or at risk of commercial sexual exploitation, is missing or abducted, for entry into the National Crime Information Center and to the National Center for Missing & Exploited Children.
- Documenting in Child Welfare Services/Case Management System (CWS/CMS) when a child or youth receiving child welfare services is a victim or at risk of CSE.

Counties may not claim the costs for conducting investigations of allegations of sex trafficking or other forms of child abuse or neglect or for providing social services, such as counseling or treatment, to victims of sex trafficking or other children or youth.

PC	951	Federal Preventing Sex Trafficking and Runaway Activities – Pre-Placement
TSC	9511	Federal Preventing Sex Trafficking and Runaway Activities – Pre-placement
Direct-To-Program (DTP)	A73	Federal Preventing Sex Trafficking and Runaway Activities
Costs will be funded at 50/25/00/25 (Federal/State/Health/County)		

The associated DTP code is available for clerical/support staff providing direct support to the above referenced staff.

Claiming Instructions

Effective the March 2017 quarter, CWDs should use PC 951 when claiming administrative costs for the federal sex trafficking and runaway program to the following PC and PINs:

PC	951	Federal Preventing Sex Trafficking and Runaway Activities – Pre-Placement
PIN	951031	Contracted Activities
PIN	951092	Casework OT/CTO Costs
PIN	951093	Support Staff – OT/CTO Costs
PIN	951094	Startup/Nonrecurring Costs
Costs will be funded at 50/25/00/25 (Federal/State/Health/County)		

Costs for PC 951 will be tracked against the county allocation ledger. Costs claimed in excess of each participating county's allocation will be shifted to a county-only share using State Use Only (SUO) code 919 - CSEC Overmatch.

County Probation Departments

As stated in [CFL No. 15/16-41](#), there may be instances when a child under CPD jurisdiction may be subsequently identified as a victim or at risk of becoming a victim of human sex trafficking, and the case may be transitioned and served by the CWDs as appropriate. Effective the March 2017 quarter, the CPD should utilize PC 952 to claim reimbursement for allowable federal preventing sex trafficking and runaway activities for candidates as follows:

CODE 952 – Probation Federal Preventing Sex Trafficking and Runaway Activities - Candidates

Allowable administrative pre-placement activities should be reported to PC 952 and are limited to those directly related to the Federal Sex Trafficking and Runaway program provisions. These activities are codified in state law in Welfare and Institutions Code (WIC) sections 16501.1(f)(19), 16501.35, 16501.45 and Penal Code section 11166(j)(2)-(3). These activities include the following:

- Developing and implementing policies and procedures for identifying, documenting and determining services for children and youth who are victims or at risk of sex trafficking.
- Developing and implementing specific protocols for expeditiously locating and responding to children who run away from foster care, including screening youth for commercial sexual exploitation.
- Identifying, documenting and documenting services for children and youth who are victims or at risk of sex trafficking, including conducting human trafficking screenings, documenting victims in case files, determining appropriate services, including referrals to services and completing reports required for law enforcement.
- Reporting to law enforcement instances of sex trafficking when a child or youth receiving child welfare services is identified as a victim.
- Reporting when a child or youth receiving child welfare services, who is reasonably believed to be the victim or at risk of commercial sexual

exploitation, is missing or abducted, for entry into the National Crime Information Center and to the National Center for Missing & Exploited Children.

- Documenting in Child Welfare Services/Case Management System (CWS/CMS) when a child or youth receiving child welfare services is a victim or at risk of CSE.

Counties may not claim the costs for conducting investigations of allegations of sex trafficking or other forms of child abuse or neglect or for providing social services, such as counseling or treatment, to victims of sex trafficking or other children or youth.

PC	952	Probation Preventing Federal Sex Trafficking and Runaway Activities - Candidates
PIN	952059	Probation Preventing Federal Sex Trafficking and Runaway Activities - Candidates
Costs will be funded at 50/00/00/50 (Federal/State/Health/County)		

Please Note: If case management activities are being performed for youth who are in detention, or are not foster youth or candidates, these activities are not eligible for Title IV-E reimbursement and must be claimed to the “Probation County Only” code. This code is described in Attachment VI, FY 2013-14 Probation PCs (non-time study codes) of [CFL No. 14/15-29](#).

As described in [CFL No. 15/16-41](#), the Title IV-E discount rate will not be applied to administrative expenses for the Federal Sex Trafficking and Runaways Activities as detailed above. Please refer to [ACL 14-36](#) for more information on pre-placement and candidacy.

F. Resource Family Approval

Effective the September 2016 quarter, Program Code (PC) 888 (Resource Family Approval) utilizes PC 933 to shift the non-federal discount rate costs of the RFA Program to Ledger 167 (the General CWD CCR ledger). Any costs claimed in excess of the funds available in Ledger 167 will be shifted to 100 percent county only through State Use Only Code (SUO) 933.

Effective the March 2017 quarter, the new PC 897 (RFA Probation Non-Federal) is established to capture non-federal discount rate costs from RFA Probation claiming and charge them to Ledger 168 (the general CPD CCR ledger). The discount rate is applied to PC 889 (Resource Family Approval Probation) outside of the County Expense Claim, and county probation departments are responsible for charging those non-federal discount rate costs to PC 897 through a direct charge to PIN 897059. Any costs in excess of the funds available in Ledger 168 will be shifted to 100 percent county only through SUO Code 942.

The description of the new PC is as follows:

CODE 897 – RFA Probation Non-Federal

This code captures the non-federal costs derived from applying the Title IV-E non-federal discount rate to PC 889 (Resource Family Approval Probation). The sharing ratio for this code is 00/100/00/00 (Federal/State/Health/Local).

II. CalWORKs

No changes.

III. Other Public Welfare

A. CalFresh Employment and Training (CFET) Third-Party Reimbursement

Per [All County Information Notice \(ACIN\) I-46-16](#), dated June 23, 2016, “a county may establish a partnership with local agencies to provide 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.”

Previously, the only way for CWDs to tap into the 50 percent federal cost sharing funds for third-party partner agencies, was to exhaust their 100 percent allocation first. The PC 364 is established to allow counties who would like to access their 50 percent CFET allocation prior to spending their 100 percent CFET allocation when utilizing a third party reimbursement model.

Claiming Instructions

Effective the December 2016 quarter, PC 364 (CalFresh Employment and Training [CFET] Third Party Match) is available for claiming third party reimbursements to the CFET 50 percent allocation. Counties may utilize this code separately and/or concurrently with the PC 464 (CFET Administrative Activities).

The following PC and associated PINs have been established for CWDs to claim expenses for CFET Third Party Match Activities:

PC	364	CFET Third Party Match
PIN	364031	Contracted Activities - Unemployed
PIN	364088-91	Support Operating
Costs will be funded at 50/00/00/50 (Federal/State/Health/County)		

Costs for PC 364 will be tracked against the ledger number 30 (CFET 50/50). Any expenditures exceeding the CFET allocation will be shifted to county-only costs using SUO code 304 (SUO - CFET 50/50 Overmatch).

IV. Child Care

A. TrustLine Web Access (TWA)

For the FY 2014-15, TOE code 68 was temporarily added to PC 905 and PC 907 for costs associated with TWA fingerprinting (refer to [CFL No. 14/15-71](#), dated June 30, 2015).

Effective the March 2017 Quarter, TOE code 68 will be removed from PCs 905 and 907 and will be unavailable for CWDs to claim for Stages Two and Three child care. All claims associated with PC 905 and PC 907 will return to the claiming instructions in place prior to FY 2014-15 (reverting back to instructions provided by [CFL No. 14/15-16](#), dated September 5, 2014), and will be reimbursed to the CWD directly through the California Department of Education (CDE).

The following PIN associated with PCs 905 and 907 will be deleted.

PC	905	Child Care – Stage Two
PIN	905068	Direct Costs

PC	907	Child Care – Stage Three
PIN	907068	Direct Costs

V. Non-Welfare

No changes.

VI. General

A. 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. In accordance with Code of Federal Regulations (CFR) at [45 CFR §95.13](#), the CEC is a cash based claim and costs must be claimed in the quarter in which the service has been provided and the payment is made. 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 that the two-year limit for claiming federal funds is met. Adjustment claims should include corrections to the original quarter submission. They should not include any corrections for other quarters. The due dates for the adjustment claims are provided annually, in advance, within every March quarterly CFL. Counties must maintain supporting documentation for three years for all claims. Fiscal records must be retained and produced in the event of a federal, state, county or A-133 audit as outlined in Manual of Policies and Procedures (MPP) [Division 10-119](#) and MPP [Division 23-353](#).

B. Direct Charge Methodology

The [CFL No. 00/01-78](#), dated May 21, 2001, informed counties of the discontinuance of the Direct Charge Methodology Detail Certification Form, DFA 327.9. The DFA 327.9 was replaced by a Letter of Intent to Direct Charge. The [CFL No. 04/05-34](#), dated January 6, 2005, informed counties that as of July 1, 2005, CDSS no longer recognizes the DFA 327.9. The only acceptable method of notifying CDSS of your intent to direct charge support operating costs is through a Letter of Intent to Direct Charge submitted and addressed to the following address:

California Department of Social Services
County Systems Section
Attn: Racquel Flanagan, Manager
744 P Street, MS 9-5-03
Sacramento, CA 95814

Please refer to [CFL No. 00/01-78](#), dated May 21, 2001, for the required contents and sample of the letter. All state and federal laws/regulations/guidelines with respect to claiming direct costs still apply. The CDSS is requiring all counties to submit a new Letter of Intent by **June 15, 2017**, in order to direct charge for FY 2017-18. A new Letter of Intent is required annually.

C. Submission of the Countywide Cost Allocation Plan (CCAP) 2 CFR §200.416 (formerly known as OMB A-87) Budget Units and Cover Letter for FY 2016-17

The CCAP, as cited in [2 CFR §200.416](#) must be submitted to and approved by the Office of the State Controller County Cost Plan Section on an annual basis. All counties are required to submit the CCAP Budget Units and Cover Letter before the September CEC Current quarter is due on October 31, 2017, to:

California Department of Social Services
County Claims Unit
744 P Street, MS 9-5-03
Sacramento, CA 95814

The cover letter must identify the budget units as provided in the Supplemental Information Checklist (Exhibit 1303) and include the total budgeted amounts from the summary report of the approved plan (CCAP CFR 200.416). Please refer to [CFL No. 97/98-26](#), dated October 15, 1997; [CFL No. 00/01-111](#), dated June 26, 2001; and [CFL No. 02/03-68](#), dated June 13, 2003, for additional information.

D. County Expense Claim (CEC) Due Dates for FY 2017-18

The original CEC is due to CDSS on the first working day, 30 days after the end of the quarter. The following are the due dates for FY 2017-18 original claims:

<u>Original CEC</u>	<u>Final Filing Date</u>
September 2017	October 31, 2017
December 2017	January 31, 2018
March 2018	May 1, 2018
June 2018	July 31, 2018

Adjustment CECs and the DFA 325.5 (Expenditure Certification for the CWD CEC) are to be received at CDSS by the first working day after the last day of the ninth month from the original claiming quarter. The following are due dates for FY 2016-17 adjustment quarter claims:

<u>Adjustment CEC</u>	<u>Final Filing Date</u>
September 2016	July 3, 2017
December 2016	October 2, 2017
March 2017	January 2, 2018
June 2017	April 2, 2018

E. California Department of Social Services (CDSS) Policy Regarding Late County Expense Claim Submissions

Due to recent policy enforcement by the federal Administration for Children and Family (ACF), CDSS needs to report CEC data within 45 days after the quarter ends ([TANF-ACF-PI-2014-02](#)). The ACF Washington District of Columbia Headquarters requires CEC data for nationwide budgeting and distribution of their federal funds. As a result, CDSS is unable to accept late CECs without jeopardizing federal funding for California. This information was previously shared at the County Welfare Directors Association Fiscal Committee meeting. As a result, any county requests for extensions 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 extension should be sent to:

California Department of Social Services
County Systems Section
Attn: Racquel Flanagan, Manager
744 P Street, MS 9-5-03
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 or 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 information requested must be submitted via email on or before July 1 annually to CDSS at Fiscal.Systems@dss.ca.gov with "EIN or TIN for the County of *(insert county name)*" in the subject line. Counties should review the federal fund monitoring responsibilities for counties outlined in [CFL No. 15/16-62](#), dated June 20, 2016.

G. Federal Fund Monitoring Responsibilities

As a reminder, counties have certain responsibilities for monitoring the expenditures of federal funds. Please refer to [CFL No. 15/16-62](#), dated June 20, 2016, for a description of federal requirements and a [link](#) to the terms and conditions for each federal grant administered by CDSS. Updated terms and conditions will be posted to this [link](#) on an ongoing basis.

H. County Costs for Defending Legal Actions

Amounts expended by a county in the defense of legal actions relating to CDSS programs are generally reimbursable as administrative costs. However, in certain circumstances these expenditures will not be allowable. These circumstances include if the federal government or the state commences a legal action to address county noncompliance, or if a private party brings an action against the county for operating the program in a manner that is contrary to legal authority (Refer to [2 CFR 200.435](#) and [45 CFR 75.435](#)).

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If counties have any questions regarding this CFL, please direct them to the Fiscal Policy Bureau at fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

SALENA CHOW, Chief
Fiscal Forecasting and Policy Branch

c: CWDA