



CDSS

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EDMUND G. BROWN JR.
GOVERNOR

December 28, 2011

COUNTY FISCAL LETTER (CFL) NO. 11/12-35

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS

SUBJECT: VARIANCES IN EXPENDITURES ON THE COUNTY EXPENSE
CLAIM (CEC) INCREASES OR DECREASES OVER FIVE
PERCENT BETWEEN QUARTERS

This letter provides instructions for use of the DFA 419 within the CEC to report variances to CDSS and the level of detail that is required within this form. Due to recent enforcement of rules by the Administration for Children and Families (ACF) to meet federal reporting requirements, the California Department of Social Services (CDSS) has been notified that an explanation for variances must be provided between original quarters that result in increases or decreases over five percent. The Federal Government requires this information for the research of trends in expenditures between quarters.

Previously, CWDs were allowed the option to select “Y” or “N” on the DFA 419 to indicate variance between quarters and the input of detail explaining such a variance was optional. Although these indicators are still optional, the ACF has determined that this is insufficient as a means of identifying the cause of variances that result in an increase or decrease of five percent. Therefore, effective with the December 2011 quarter, filling out the “Additional Information” section of the DFA 419 will be mandatory. Information input into the detail fields of the DFA 419 must provide both quantitative and qualitative information. For example, “more pay periods” would not be an acceptable level of detail. An acceptable explanation would be, “There were seven pay periods in the June quarter compared to six pay periods in the March quarter which equates to an increase of 20%.”

The CDSS will now be reviewing the DFA 419 explanations more thoroughly as part of the desk audit process. Therefore if a sufficient level of detail is not provided, CWDs will be contacted for more detailed information explaining the variance between quarters. It is important that CWDs initially provide a thorough explanation or there could be an impact to the timely reimbursement of funds.

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

Sincerely,

Original Document Signed By:

DIANNE OKAMOTO, Chief
Fiscal Systems and Accounting Branch