



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

April 11, 2012

ERRATA

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

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

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

REFERENCE: CFL NO. 11/12-35 DATED DECEMBER 28, 2011; Manual of
Procedure and Policy Division 25, Section 820.6

This Errata informs counties of the temporary suspension of the five-percent variance requirement pursuant to CFL No. 11/12-35. As a result, the original fifteen-percent requirements specified in the Manual of Procedure of Policy Division 25, Section 820.6 will be used as a threshold for the identification of variances between quarters in the interim. The requirement will remain mandatory for all counties.

The California Department of Social Services and the County Welfare Directors Association are researching an effective alternative methodology to the DFA 419 Variance Claim Summary Report that will meet federal reporting requirements. Updated information will be published in a future CFL.

This letter also serves to provide further examples of appropriate explanations that should be included to qualify and quantify variances recorded within the DFA 419.

An example of an **unacceptable** explanation would be: "Costs varied more than 15 percent due to fluctuations in program costs and pay periods."

An example of an **acceptable** explanation would be: "These costs relate to the step-parent adoptions program. This is a small program with large fluctuations in staffing

due to caseload fluctuations. Even though there was an extra pay date in the December 2011 quarter, there was a 90-percent drop in time study hours charged to the program due to a reduction in cases.”

An example of an **unacceptable** maintenance and operation (M&O) explanation would be: “Additional month of billing in the December quarter.”

An example of an **acceptable** M&O explanation on the DFA 419 would be: “Three months billings from our Information Services Department in the December quarter, only two months billings were in the September quarter (\$660,000). There was an extra pay date in the December quarter (\$295,000). Replacement hardware and software was purchased in the December quarter (\$576,000). The Emergency Assistance licensing agreement was renewed (\$602,000). There was continuing impact of opening of Transitional Assistance Department’s Service and Call Center resulting in increased ongoing costs (\$677,000).”

If counties 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