

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



August 27, 2002

COUNTY FISCAL LETTER (CFL) NO. 02/03-12

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

SUBJECT: PROCEDURES FOR SUBMITTING ABATEMENTS OUTSIDE OF THE  
COUNTY EXPENSE CLAIM (CEC)

This letter provides instructions for submitting abatements that cannot be processed through the CEC. Examples include, but are not limited to negative adjustments related to Temporary Assistance for Needy Families Performance Incentives and discontinued program allocations. Under the normal CEC process, abatements are applied to the appropriate cost pool as a reduction to a program's expenditures prior to calculating the federal, state, and county share of cost.

Performance Incentive expenditures are reported using a separate addendum page, which due to system design issues will not recognize abatements. Also, once a program allocation is discontinued, it is no longer tracked on the CEC; therefore, any abatement against discontinued program allocations should not be processed through the CEC.

Recently, there have been an increasing number of these situations, particularly with regard to Performance Incentives. Based on discussions at a recent meeting of the County Welfare Directors Association, Financial Analysis and Data Systems Subcommittee, counties prefer a method for processing abatements that will not require a cash transaction. To accommodate this request, the following procedures have been developed for counties to notify the Department of the abatements. These procedures apply only to abatements for Performance Incentives, discontinued program allocations, and other situations where negative adjustments cannot be processed through the CEC. Once notification is received, future payments owed to the county will be reduced by the amount of the abatement.

1. The attached form must be completed identifying the amount of abatement by quarter and the reason for the abatement.
2. Both the County Welfare Director and County Auditor-Controller must sign the certification as noted on the form.
3. The form should be submitted to the following address within thirty (30) days following the end of the quarter in which the county received the abatement(s).

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California Department of Social Services  
Financial Services Bureau  
744 P Street, M.S. 13-72  
Sacramento, CA 95814  
FAX: (916) 654-1750

If you have any questions regarding this letter, please call your Fiscal Policy Bureau county analyst at (916) 657-3440.

*Original signed by Marge Dillard on  
August 27, 2002*

MARGE DILLARD, Chief  
Fiscal Systems and Accounting Branch

c: CWDA

