

**FISCAL MANAGEMENT AND CONTROL
ADMINISTRATIVE EXPENDITURES**

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25-800 ADMINISTRATIVE EXPENDITURES**25-800****.1 Definition of Claimable Administrative Expenditures**

Claimable administrative expenditures are those expenditures necessary for the proper and efficient administration of the county welfare department, as defined within this chapter. These expenditures, depending upon their purpose and the aid programs they benefit, are entitled to federal and/or state reimbursement.

.2 Types of Reimbursable Administrative Expenditures

There are basically three types of administrative expenditures that are subject to federal and/or state reimbursement. These are:

- .21 Personal Services: Salaries and employee benefits for all members of the county welfare department staff.
- .22 Operating Costs: All costs other than personal services or the costs of services purchased from public or private agencies. (Examples: space, utilities, supplies, postage, office furniture and equipment, etc.)
- .23 Purchase of Services: Costs of administrative or social services purchased from either public or private agencies. (Examples: data processing services, WIN child care, homemaker/chore services, etc.)

.3 Reimbursement of Administrative Expenditures

Reimbursement of administrative expenditures is provided by various governmental agencies depending upon the particular welfare program benefited and the purpose of the expenditures. The agencies are:

Federal Agencies

- 1. Department of Health, Education, and Welfare (DHEW)
 - a. Social and Rehabilitation Services (SRS)
 - b. Social Security Administration (SSA)
- 2. Department of Agriculture (USDA)

State Agencies

- 1. Department of Benefit Payments (DBP)
- 2. Department of Health (DOH)
- 3. Department of Education (DOE)
- 4. Employment Development Department (EDD)

The charts in Section 25-800.31 and .32 reflect the financial participation ratios for the various programs under the two functions of Social Services and Eligibility/Nonservices. Each function includes all costs allocated or direct charged to that function. Reimbursement to the county is provided by federal and state governmental agencies as indicated.

25-800 ADMINISTRATIVE EXPENDITURES
(Continued)

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.31 Program Participation Ratios for Social Services Function:

SOCIAL SERVICES FUNCTION		FEDERAL		STATE		COUNTY
PROGRAM ^{1/}	DHEW TITLE	DHEW SRS	DHEW SSA	DBP	DOH	
<u>AFDC^{2/}</u>						
a.	Child Care	IV, A	75%	--	--	25%
b.	Family Planning	IV, A	90%	--	--	10%
c.	Mentally Retarded	IV, A	75%	--	--	25%
d.	Drug Addicts	IV, A	75%	--	--	25%
e.	Alcoholics	IV, A	75%	--	--	25%
f.	Foster Care	IV, A	75%	--	--	25%
g.	Current Recipients	IV, A	75%	--	--	25%
h.	Former & Potentials	IV, A	75%	--	--	25%
<u>WIN (Work Incentive Program)</u>						
a.	WIN "SAU" ^{3/}	IV, C	90%	--	--	10%
b.	WIN Child Care	IV, C	90%	--	6.75%	3.25%
c.	WIN Other	IV, C	90%	--	--	10%
<u>ADULTS</u>						
j.	Child Care	VI	75%	--	--	25%
k.	Family Planning	VI	90%	--	--	10%
l.	Mentally Retarded	VI	75%	--	--	25%
m.	Drug Addicts	VI	75%	--	--	25%
n.	Alcoholics	VI	75%	--	--	25%
o.	Current Recipients	VI	75%	--	--	25%
p.	Former & Potentials	VI	75%	--	--	25%
q.	Homemaker/Chore Services	VI	75%	--	25% ^{4/}	--
<u>OTHERS</u>						
r.	Out-of-Home Care	XVI	--	100%	--	--
s.	MNO ^{5/}	IVA & VI	75%	--	--	25%
t.	Medical Indigent	None	--	--	--	100%
u.	Adoptions	IV, A	--	--	100%	--
v.	Child Protective Services (CPS) (Nonaided, Nonlinked)	IV, B	75% ^{5/}	--	--	25%
w.	General Relief	None	--	--	--	100%
x.	Other County Only Programs	None	--	--	--	100%

25-800 ADMINISTRATIVE EXPENDITURES
(Continued)

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.32 Program Participation Ratios for Eligibility and Nonservices Function:

ELIGIBILITY/NONSERVICES FUNCTION		FEDERAL			STATE		COUNTY	
PROGRAM	DHEW TITLE	DHEW SRS	DHEW SSA	USDA	DBP	DCH		
A.	AFDC ^{1/}							
	1. Federally eligible	IV,A	50%	--	--	25%	--	25%
	2. Federally ineligible	--	--	--	--	50%	--	50%
B.	MNO	XIX	50%	--	--	--	50%	--
C.	Medically Indigent	XIX	50% ^{2/}	--	--	--	50%	--
D.	BH Licensing	None	--	--	--	Actual Cost up to \$65 Per License	--	Balance Over \$65.00
E.	General Relief	None	--	--	--	--	--	100%
F.	Other County Only Programs	None	--	--	--	--	--	100%
G.	Nonassistance Food Stamp	None	--	--	50%	--	--	50% ^{3/}
H.	Nonassistance Food Stamp Quality Control	None	--	--	Same as above	--	--	Same as above
I.	APSB	None	--	--	--	50%	--	50%
J.	SSI/SSP	XVI	--	100%	--	--	--	--
K.	State Adult Programs ^{4/}	None	--	--	--	100%	--	--
L.	Emergency Loans	None	--	--	--	100%	--	--

.33 County Participation

There is no federal or state reimbursement in the county costs for administering the General Relief and Other County Only Programs, nor is any reimbursement available for county welfare costs involved inextraneous activities of the welfare department. The county bears the full cost of administering the General Relief program and extraneous activities as well as that portion of federal and state programs not reimbursed from federal or state funds (as determined by the County Cost Allocation Plan).

25-800 ADMINISTRATIVE EXPENDITURES **25-800**
(Continued)

.4 Administrative Expenditure Payment Methods

Claims are filed quarterly with DBP (see Section 25-815.1) and are classified as follows:

.41 Cash Claims

Cash claims are for expenditures that are paid on an after-the-fact or arrears basis to the county. Cash claims are normally for items that, on a statewide basis, are not significant in dollar volume or for which there is no authorization for the state to advance funds for the particular expenditure.

.42 Voucher Claims (Advanced Funds)

Voucher claims are applied as credits against advances made to counties. The state advances the estimated amount of federal and state funds needed, so that areas of major expenditures that are to be shared by the federal and/or state government will not be initially borne by the county. These advances are deposited to a trust fund in the county treasury, and the county is accountable for these funds until they are legally expended.

The following list indicates types of Administrative Claims and governmental participation by program:

	Administrative Costs		
Program		Federal Funds	State Funds
AFDC		Advanced	None
WIN		Advanced	Cash
Adults		Advanced	None
Adult Homemaker/ Chore Services	Advanced	Cash	
Adult Out-of-Home Care		Cash	None
Adoptions		None	Cash
Child Protective Services (CPS)	Cash	None	
Program		Federal Funds	State Funds
AFDC-FG-U-BHI		Advanced	Advanced
BH Licensing		None	Cash
Nonassistance			
Food Stamps		Cash	Cash
APSB		None	Cash
SSI/SSP		Cash	None
State Adult Programs:			
Excess Value Home (EVH)	None	Cash	
Special Circumstances		None	Cash
Emergency Loans		None	Cash

These designations of advanced funds or cash claim funds apply for current year claims. All prior fiscal year claims will be treated as cash claims for both the federal and state shares (see Section 25-815.35).

25-800 ADMINISTRATIVE EXPENDITURES (Continued)**25-800****.43 Local Cost Reimbursement**

The amount of state funds for the reimbursement of local costs is established for each mandate which increases costs by adding a new program or expanding an existing program. Each proposal is reviewed for increased county costs.

.431 Statewide Costs

Statewide costs are determined by DBP. A copy of the proposed regulations and the estimate are forwarded by the Department to the Local Cost Reimbursement Committee for review of the methodology for identifying the statewide mandated cost.

.432 County Allotments

After regulations have been promulgated, the statewide cost will be allocated to individual counties. County allotments will be prorated using a basis commensurate with the methodology used to identify the statewide total. DBP will notify individual counties of the amount of their allocation and the claims on which the reimbursement of local costs will be accomplished.

.433 Local Cost Reimbursement Adjustments

County Administrative Expenditure Claims are adjusted on at least an annual basis to reflect an increase in the state share and a decrease in the county share for the amount of the Local Cost Reimbursement allowance. These adjustments are made by the state and reflected on Forms DFA 327.6 and 327.7, Social Services Fund Distribution Report and the Eligibility and Nonservice, Nonfederal Fund Distribution Report. The adjustment will appear in the column marked "For State Use Only".

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25-805 COST ALLOCATION CONCEPT

25-805

.1 Purpose

The purpose of the Cost Allocation Plan is to provide the county welfare department with a method for identifying the appropriate administrative costs applicable to each program. This is necessary in order to:

- (a) Satisfy federal reporting and funding requirements,
- (b) Determine appropriate federal and state financial reimbursement for each of the welfare programs administered by the county, and
- (c) Provide the county welfare department, as well as DBP, with reasonably accurate expenditure data, which is required for efficient and responsible administration and management of the over-all welfare operation.

.2 Scope

The cost allocation consent uses time (e.g., the total monthly hours worked on a program) as the basis for identifying the amount of administrative costs to be distributed to the various programs. This concept eliminates the time-consuming task of identifying and direct charging each administrative cost element to the corresponding welfare program.

.3 Time Study Methodology

The cost allocation plan is contingent upon the completion of individual county employee time studies. These time studies (see Sections 25.811 and .812) are to be completed four times during each fiscal year; once per quarter during the second month of every quarter (e.g., August, November, February and May).

At the end of the time study month, the total time is summarized into two functions (e.g., Social Services time, and Eligibility/Nonservices time) and individual program ratios are developed for each function. The ratios are then used when the county welfare department prepared the Administrative Expenditures Claim.

In addition to the above schedule, a special monthly time study may be requested for special short-term projects. These monthly time studies are necessary to accurately determine actual costs of the particular project.

Time studies are reconciled quarterly by balancing the number of salaries in each pool to the number of time studies, (see 25-820.2).

.31 Program Cost Allocation Ratios

Forms DFA 325.1 - .3 and DFA 327.1 - .8 of the Administrative Expenditures Claim provide the data upon which the program allocation ratios are applied as follows:

.311 Casework Costs

Casework costs (salaries and benefits of staff completing time studies, see Sections 25-811.1 and 25-812.1) are separated between the two functions: Social Services and Eligibility/Nonservices. This separation of casework costs is required since federal and state participation is different for each group. The separate sets of program ratios which were developed from the time study hours are then applied to the two groups of costs in order to distribute the appropriate casework costs to the corresponding programs (see DFA 327.1 - .2). A simplified illustration of the application of time allocation ratios to casework costs is shown in the following chart.

Assuming that \$10,000 represents total Social Services casework costs:

SOCIAL SERVICES FUNCTION		
Program	Program Allocation Ratio	Case Work Costs Distribution
AFDC	.55	5,500
Adults	.20	2,000
MNO	.15	1,500
GR	.10	1,000
Total	1.00	\$10,000

NOTE: In the above example not all programs have been included. This method would also be applied to the casework costs of the Eligibility/Nonservices Function.

25-805 COST ALLOCATION CONCEPT **25-805**
(Continued)

.312 Allocable Support Costs

These costs include: (1) personal services, e.g., clerical support(except BHL), administrative support, and travel, (2) operating costs, e.g., supplies, utilities, space, equipment, etc., and purchase of services costs, e.g., A-87 costs, data processing costs, janitorial services, etc., which are also allocated on the basis of time studies.

These costs are first combined then allocated to either the Social Services function or the Eligibility/Nonservices function based upon the number of personal casework hours spent in each function. (See DFA 325.1, Group II):

a.	Total Hours from DFA 323	15,000 hours
b.	Total Hours from DFA 47	5,000 hours
c.	Grand Total (a plus b)	20,000 hours
d.	Percent to Eligibility/Nonservices (a divided by c)	.75 percent
e.	Percent to Social Services (a divided by c)	.25 percent
f.	Total Allocable Support Costs	\$60,000
g.	Eligibility Overhead	\$45,000
h.	Services Overhead	\$15,000

After identifying costs to function, the costs may be further identified to program within function by applying the time study ratio of hours from the DFA 47 and the DFA 323 (see DFA 327.1-.2).

The following chart for the Eligibility/Nonservices Function illustrates the application of time study hours to allocable support costs in order to determine the amount of support costs which should be allocated to each program. It is based on the following information:

- a. Total hours, 15,000 (total from DFA 323).
- b. Total costs, \$45,000 (percentage of Eligibility/Nonservices overhead).

ELIGIBILITY/NONSERVICES FUNCTION

Program	Total Hours (from DFA 323)	Percentage of Eligibility Nonservices Allocable Support Costs (Overhead) ^{1/}	Allocable Support Costs ^{2/}
AFDC	7,500	.50	\$22,500
Adults	3,750	.25	11,250
MNO	2,100	.14	6,300
GR	1,650	.11	4,950
Total	15,000	1.00	\$45,000

Footnotes:

^{1/} Total hours for each program divided by total hours (15,000 for the Eligibility/Nonservices Function.

^{2/} Multiply total costs (\$45,000.00) by program ratios to determine amount of allocable support costs for each program.

NOTE:In the above example not all programs have been included. This method would also be applied to the Social Services Function.

25-805 COST ALLOCATION CONCEPT **25-805**
(Continued)

.32 Direct Charged Administrative Costs

Not all costs are allocated to functions and programs as reflected in the examples above. Some costs are direct charged, and are explained in Section 25-821.3. This deviation from a "pure" cost allocation concept is necessary because of the nature and purpose of the costs themselves. Costs which are direct charged are not included in the cost allocation concept because they cannot be equitably allocated or distributed to all programs. All like costs are to be treated consistently. For example; if fraud investigators for any program are direct charged, they must be direct charged for all programs.

Once the administrative costs have been totally allocated to both function and program, and in certain instances direct charged to specific programs, the costs are then processed through a series of mathematical computations to arrive at the proper federal and/or state reimbursement for each welfare program. Forms DFA 327.3 through 327.8 are used for this purpose.

25-810 TIME STUDY: GENERAL DEFINITIONS **25-810**

This section defines general terms applicable to both the "County Employee Eligibility Time Study" (DFA 43) and the "Social Services Worker Time Study" (DFA 46) which are explained in Sections 25-811 and .812.

.1 Function

This term refers to each of the two major roles performed by the county welfare department. These are:

- .11 Eligibility/Nonservices Function - Activities performed in this area are recorded on the DFA 43.
- .12 Social Services Function - Activities performed in this area are recorded on the DFA 46.

.2 Program

This term refers to the broad classification under which an activity may be performed. Each function is comprised of a number of programs. For example, the program classification for services rendered to dependent children and their parents is AFDC. Other programs which comprise the general "Social Services Function" are: WIN, Adults, Adult Homemaker/Chore Services, Adult Out of Home Care, MNO, Medical Indigent, Adoptions, and CPS.

It should be noted that both the Social Services and Eligibility/Nonservices functions may be involved in a given program.

.3 Activity

This term refers to the specific types of work performed under each Program. For example, under the "Social Services Function" is the "AFDC" Program classification which includes such "activities" as: Child Care Services, Family Planning Services, Services to Mentally Retarded, Drug Addicts, Alcoholics, etc.

.4 Nonallocable Activities

This is a provision shown on each time study (see 25-811.36 and 25-812.35) to record time for those activities that are not considered either Social Services or Eligibility functions. An example would be the time a social worker or eligibility worker spends on administrative duties.

FISCAL MANAGEMENT AND CONTROL**25-810 (Cont.)****ADMINISTRATIVE EXPENDITURES****Handbook****25-810 TIME STUDY: GENERAL DEFINITIONS (Continued)****25-810****.5 Allocable Time**

This refers to the time (hours) spent by case carrying social workers, eligibility and nonservice workers, and their first-line supervisors in carrying out the activities for each of the welfare programs. This time is used as the basis for distributing the majority of welfare administrative costs to function and programs.

.6 Social Services

This applies to activities undertaken in accordance with the county approved plan which is directed towards improving the welfare of needy individuals and families. The required and recommended programs are listed in MPP Section 10-050.

.7 Eligibility/Nonservices

To simplify the time recording process, the two functions of "Eligibility" and "Nonservice" have been combined into one function, "Eligibility/Nonservices." Included in this single function are the activities of each component part:

a. Eligibility

The activities undertaken in carrying out the responsibilities of eligibility determination for a cash grant, and grant maintenance.

b. Nonservices

Nonservices are those activities which are neither a social service nor eligibility and grant maintenance. Examples are the Boarding Home Licensing, and Other County Only Programs.

25-811 TIME STUDY PROCESS: ELIGIBILITY/NONSERVICES FUNCTION**25-811**

The basic mechanism for recording time to the various programs within the Eligibility/Nonservices Function is the "County Employee Eligibility Time Study"(DFA 43). The remainder of this section contains instructions for the completion of this form.

.1 Program Definitions

Component programs of the Eligibility/Nonservices Function, as listed on time study DFA 43, are defined as follows:

- .11 AFDC:** This program includes the eligibility determination and grant maintenance functions for programs relating to children (AFDC-FG, AFDC-U, BHI).
- .12 Medically Needy Only:** The activities covered under the MNO program are those which normally occur after the determination of ineligibility for a Public Assistance grant has been made. It includes the eligibility determination for MNO as well as maintenance activities.
- .13 Medical Indigent:** Activities under this program involve the medical activities related to the nonaided, nonlinked children and adults. Time should be charged to this program only after a determination has been made that the individual is not eligible for a cash grant or MNO status.
- .14 BH Licensing:** The activities under this program involve the issuance or renewal of Boarding Home Licenses, and the enforcement of BH Licensing standards. Evaluation of homes for children or adults is part of the service activities and should be recorded either to the Adult or AFDC program on the Social Services time study.
- .15 General Relief:** The activities under this program are those involving the General Relief cases. This includes eligibility determination as well as grant maintenance activities.
- .16 Other County Only Program (OCOP):** The activities under this program are borne entirely by the county. However, this program is not part of the General Relief program. Included here may be special projects on a county only basis such as the Crippled Children Program.
- .17 Nonassistance Food Stamps:** The activities under this program relate to food stamp certification for nonassistance, mixed household, and general relief cases only. Food Stamp certification for Public Assistance cases (i.e., AFDC) are considered part of the appropriate Public Assistance program.
- .18 Nonassistance Food Stamp/Quality Control:** The only time to be charged to this program will be the time spent on nonassistance Food Stamp/Quality Control. The only people that may charge time to this category are Quality Control workers. Time spent on Quality Control for AFDC or assistance Food Stamps is to be charged to the AFDC program.

25-811 TIME STUDY PROCESS: ELIGIBILITY/NONSERVICES FUNCTION 25-811
(Continued)

- .19 APSB: All eligibility determination and grant maintenance functions required for applicants for or recipient of Aid to the Potentially Self Supporting Blind shall be recorded to this program.
- .20 SSI/SSP: Time charged to this program will be for activities performed to benefit the adult programs after January 1, 1974; for example, the monitoring of mandatory supplemental cases. Typical activities involved in monitoring mandatory supplemental cases are:
 - a. Computation of earned income and forwarding this data to the Social Security Administration.
 - b. Time spent on an SSI/SSP case where an ineligible spouse allocates income.
 - c. Determination of eligibility for restaurant meals and the physical inspection of a recipient's existing food preparation facilities.
 - d. Responding to SSA District Office requests.
- .21 State Adult Programs
 - .211 Excess Value Home (EVH) - Time charged to this program will be that spent on the eligibility and grant determination process for persons who will be receiving state benefits under this provision.
 - .212 Special Circumstances - Time charged to this program will be that spent determining and verifying the special circumstances necessary for the welfare of all SSI/SSP recipients, including the time spent authorizing the payment of special circumstances.
- .22 Emergency Loans: Charge to this program time spent by eligibility workers making the verification of eligibility and authorization of payments up to \$200 for SSI/SSP recipients who have encountered problems receiving their check from Social Security Administration. Also include time spent on completing and/or processing Forms SSP 2 and SSP 3.
- .3 Staff Required to Complete Time Study DFA 43

This time study is to be completed by casework eligibility staff. This includes the following categories of workers (also listed on the reverse of the DFA 43):

- a. All eligibility workers engaged in eligibility determination and income maintenance activities, including food stamp certification workers.
- b. Quality control staff.
- c. Social workers or welfare aides performing eligibility functions.
- d. Social workers or welfare aides performing validation functions.
- e. Appeals workers.
- f. Licensing staff, including the clerical staff, engaged with the actual issuance of licenses or the enforcement of safety and health standards.
- g. First-line supervisors of the above staff.
- h. Clerical staff engaged in full-time eligibility functions (budget computations, Form 239 clerks, etc.). This may include only those clerks who are actually performing full-time eligibility worker functions. This does not include supportive clerical staff.
- i. Fraud investigators must maintain a quarterly time study. The DFA 43 may be used for this purpose; however, this time should not be included in the DFA 323 (see 25-820.1).

NOTE: Only the above personnel should complete the DFA 43. Any other category of worker must be specifically approved by the Department of Benefit Payments before their time studies will be allowed.

25-811 **TIME STUDY PROCESS: ELIGIBILITY/NONSERVICES FUNCTION** **25-811**
(Continued)

.4 Instructions for Completing the DFA 43

.41 Frequency

County staff engaged in the "Eligibility/Nonservices Function" are required to conduct a time study during the second month of each quarter. The time study months are:

Quarter	Time Study Month
July - September	August
October - December	November
January - March	February
April - June	May

.42 Personal Data

All Eligibility and Nonservices workers and their first-line supervisors will be given an individual time study for completion, on a continuous basis throughout each day, during each time study month. Workers should complete the personal data (e.g., name, social security number, classification, month/year, county, etc.) which is self-explanatory. The blocks for employee number, item number and pay location are optional and may be used for other information the county determines necessary.

In certain situations, it may be necessary for a person to conduct two time studies. An example of this would occur when a social services worker, performing social services activities, is transferred to an eligibility function for the latter part of the month.

.43 Charging Time to Program - Eligibility Staff

The time study is to be completed by appropriate staff on a continuous basis throughout each day. Enter the number of hours worked for each program on the time study. Special instructions for this procedure areas follows:

- (a) Hours may be rounded to the nearest quarter hour.
- (b) Time spent on coffee breaks (not lunch) is to be charged to the last program upon which work was completed.
- (c) Time spent in travel is to be charged to the program with which it is associated.
- (d) At the end of each month, the total number of hours worked per day for each program (excluding overtime unless it is worked in every month as a standard procedure) must be indicated in the appropriate column at the right margin of the time study.

.44 Charging Time to Program - Supervisory Staff

The supervisor may use either of two methods for allocating time to program:

.441 Time Study Method

The supervisor may complete the time study on a daily basis as described in 25-811.33.

.442 Time Allocation Method

The supervisor may complete the time study at the end of the month, using the time spent by his staff as the basis upon which his time will be distributed to programs. For example, if five workers are supervised, of which three are working full-time on the AFDC program, one is working full-time on the MNO program and one is equally dividing time (e.g., 50-50) between the AFDC program and the APSB program, the supervisor's total time would be charged as 70 percent to the AFDC program, 20 percent to the MNO program, and 10 percent to the APSB program as illustrated in the following sample time study:

25-811 TIME STUDY PROCESS: ELIGIBILITY/NONSERVICES FUNCTION 25-811
(Continued)

	Days							
Program	1	2	3	4	5, etc.	30	31	Total Hours
AFDC								123
MNO								35
APSB								18
TOTAL								176

.45 Total Allocable Time

The total allocable casework staff time (see Section 25-810.5 for definition) for each of the programs on which an employee worked, must be entered daily on Line "P" of the DFA 43.

.46 Nonallocable Time

The total nonallocable casework staff time (see 25-810.4 for definition) must be entered daily on Line "Q" of the DFA 43.

Nonallocable time would include, but not be limited to, the following examples:

- (a) Vacation time
- (b) Sick leave
- (c) Dock time
- (d) Jury duty
- (e) Time spent performing any activities related to the programs listed in 25-811.1.

.47 Total Time

The total time (allocable and nonallocable) must be entered daily on last line of the time study. All full time employees participating in this study must show a total of the maximum hours of time per working day. No overtime hours are to be included, unless the overtime is worked in every month as a standard procedure.

.48 Certifications

.481 Employee Certification

The individual employee is responsible for completing his daily time study accurately in accordance with his caseload activities. At the end of the time study month, he must certify the time study as being a "true and accurate report" of his activity by affixing his name and the date of completion.

.482 Supervisor Certification

The supervisor is responsible for reviewing the employee's daily time study to ensure accuracy and completeness. He certifies the validity of the time study, to the best of his knowledge, by affixing his name and the date of his review.

25-811 TIME STUDY PROCESS: ELIGIBILITY/NONSERVICES FUNCTION 25-811
(Continued)

.5 Important Points to Remember in Completing the DFA 43:

<u>Topic</u>	<u>Information</u>
a. Food Stamps	Food stamp certification workers should charge time spent certifying cases coded nonpublic assistance; mixed household; and General Assistance to "Nonassistance Food Stamps." Time spent certifying cases which are coded public assistance food stamp will be charged to the appropriate assistance program.
b. Medical Indigent	If you are involved in determining eligibility for the Medical Indigent program, charge your time to Medical Indigent. Time should be charged to this program only after a determination has been made that the individual is not eligible for a cash grant or MNO status.
c. Conference Time	Time spent in conference with supervisors, in staff meetings, or on other appropriate departmental activities which can be identified to a specific program is to be charged to the program.
d. Other County	Time spent on county functions unrelated to Only Programs federally and/or state funded programs is to be charged to OCOP.
e. Nonallocable	In small counties some staff might work on eligibility functions part time and on administrative or clerical functions the rest of the time. In these cases, the time spent on administrative or clerical functions must be charged to the nonallocable category.
f. Boarding Home	A clerk involved in the Boarding Home Licensing program is to record only the time spent on activities related to the issuance of a license to the Boarding Home. Remaining time is to be recorded to the nonallocable category.
g. Form Retention	Each DFA 43 shall be retained in the county for audit purposes. Do not send the DFA 43 to DBP (see Section 25-811.5).

.6 Preparation of the "Eligibility Time Study Summary and Program Allocation Ratios" (DFA 323)

- a. At the end of each time study month, collect all DFA 43s which have been completed by county personnel engaged in the Eligibility/Nonservices function.
- b. Examine each DFA 43 to insure that each time study has been completed correctly.
- c. Add together the total number of allocable hours indicated for each component program (listed in 25-811.1) in the Eligibility/Nonservices function.
- d. Transfer the grant total of allocable hours for each program to the corresponding program space on the Time Study Summary (DFA 323), Lines A-N.
- e. Determine the allocation ratio for each program by dividing the total program hours for each program by the total number of allocable Eligibility/Nonservices hours (e.g., Line P of the DFA 323).
- f. The allocation ratios determined above are used in preparing the quarterly claim for administrative expenditures. (Enter each program ratio on Column 2 of the DFA 327.2.)
- g. Submit the DFA 323 to DBP as follows:
 - (1) Advance Copy - Since the quarterly eligibility time studies are taken during the second month of each quarter, counties are able to compile the results a month in advance of submitting the administrative expense claim to DBP. A copy of the completed DFA 323 should be sent to DBP, Claims Audit and Control Bureau, immediately following the time study month. This "advance copy" will assist the state in its request for advance funds from the Federal Government.
 - (2) Claim Copy - The completed DFA 323 should be submitted to DBP with each quarterly administrative expense claim.

25-812 TIME STUDY PROCESS - SOCIAL SERVICES FUNCTION**25-812**

The basic mechanism for recording time to the various programs within the Social Services Function is the "Social Services Worker Time Study" (DFA 46). The remainder of this section contains instructions for the completion of this form.

.1 Program Definitions

Component programs of the Social Services Function as listed on the time study DFA 46, are defined as follows:

.11 AFDC

Included within the spectrum of Social Services provided to recipients of the "Aid to Families with Dependent Children" program are the following subcategories of AFDC services:

.111 Child Care Services

To provide protection, care, and developmental experiences, to a group facility, in family day care homes or in their own homes, for children of preschool and school age, usually living in their own homes, whose parents or caretakers need help in making childcare arrangements for part of the day when they are at work, engaged in vocational training or because of death, continued absence from the home, or incapacity of the child's mother and the inability of any member of such child's family to provide adequate care and supervision for such child.

Any time that the social worker spends in developing a child care plan, arranging for child care or other activities related to child care as described above, should be charged to child care. This includes time spent on Current, Former, and Potential recipients.

.112 Family Planning Services

Family planning is a comprehensive service by which parents and potential parents are helped through the voluntary and purposeful application of knowledge about conception and contraception to regulate fertility in order to conceive only wanted children.

Any time that the social worker spends in activities relating to family planning is to be charged to Family Planning. This includes time spent on Current, Former, and Potential recipients.

.113 Services to the Mentally Retarded

This includes any social services contained within regulations which are provided to an individual diagnosed as mentally retarded by competent professionals at Regional Centers, State Department of Mental Hygiene, hospitals, or ACSU, Local Mental Health Agency or by a licensed psychologist or licensed physician, but only if such services are needed as part of a service plan for such individual by reason of his condition of being mentally retarded. Time spent on any such service for Current, Former, and Potential recipients that meets the criteria outlined above is to be charged to the Mentally Retarded category.

.114 Services to Drug Addicts

This includes any social services contained within regulations which are provided to an individual who has been diagnosed by a licensed physician as a drug addict, but only if the services are needed by such individual under a service plan as part of a program of active treatment for his condition as a drug addict. Time spent on any such service for Current, Former, and Potential recipients that meet the criteria outlined above is to be charged to the Service to Drug Addicts category.

.115 Services to Alcoholics

Same definition as in .114, except that the individual is diagnosed as an alcoholic, not a drug addict.

25-812 TIME STUDY PROCESS - SOCIAL SERVICES FUNCTION (Continued) 25-812

.116 Foster Care Services for Children

Foster care services for children are planned activities, based on a careful study of the circumstances to:

- a. Determine whether 24-hour foster care is necessary; and
- b. If needed, to determine the needs of the particular child;
- c. Select and provide a foster care program that will meet the needs of the child and strengthen the parent's relationship with the child;
- d. Assist foster parents and institutional staff to provide the best possible care and treatment;
- e. Assist the child in his use of foster care;
- f. Work toward the child's return home, or when indicated, refer for other types of care;
- g. Develop, recruit, study, approve, and subsequently evaluate out-of-home child care resources (do not include inspections required to comply with health and safety standards or the actual issuance of a license);
- h. Provide services as outlined in MPP Sections 30-309 through 30-319.

Any time that the social worker spends in the activities as outlined above should be charged to Services Related to Foster Care. This includes time spent on Current, Former, and Potential recipients.

.117 Current Recipients Only - Services Other than .111 - .116 Above

Time charged to this category should be for services to current recipients and applicants only, but are not to include any of the six services above. Services that would be included in this category are:

- a. Protective services to current AFDC recipients (children).
- b. Services to strengthen individual and family life.
- c. Health care services.
- d. Homemaker services (AFDC).
- e. Educational and training services which are not included in WIN.
- f. Money management services.
- g. Child support services.
- h. Employment and rehabilitation services.

Do not include in this category those services which are specifically listed in .111 - .116 above.

.118 Former and Potential Recipients' Services Other than .111 - .116 Above

Time charged to this category should be for the same activities as in Item 7 above, except that time should be charged here only when providing these services to Former and Potential recipients.

NOTE: DHEW does not allow more than 10 percent of the total social services costs to be charged under this category.

.119 Other

This includes but is not limited to the following activities performed by social services staff:

- a. Information and referral service.
- b. Determination of service eligibility.
- c. Case management or work planning.
- d. Professional development/training.
- e. Noncase specific supervisory conferences.
- f. Legitimate time absorbers (coffee breaks, etc.).

25-812 TIME STUDY PROCESS - SOCIAL SERVICES FUNCTION (Continued) 25-812**.12 WIN - Work Incentive Program**

Time should be charged to the WIN program by SAU staff (social services workers and other professional staff), whether they are located at EDD or the welfare department.

All time spent by SAU staff providing staff services (EAS Section 42-675.2) for the following activities should be charged to the WIN Program:

- a. All time spent by the SAU worker with the WIN registrant.
- b. All time spent by the SAU worker with the family of the WIN registrant when providing services necessary to enable the registrant to accept employment or participate in the WIN Program.
- c. Arranging for purchased services for certified WIN registrants or for supportive services for all WIN registrants and their families. These services are child care, family planning, counseling (counseling may include WIN program requirements, personal and family relationships, home management, housing improvement, information and referral to other service programs, and up to 60 days of counseling in the event of a sanction), employment-related medical and health-related care, and selected vocational rehabilitation services. WIN services are outlined in EAS Manual Sections 42-675.3 and 42-680.
- d. All time spent appraising WIN registrants, developing employability plans, and assessing the need for supportive services. (EAS Section 42-676.1)

25-812 TIME STUDY PROCESS - SOCIAL SERVICES FUNCTION (Continued) 25-812

e. Certifying WIN registrants.

Employment-related medical and health-related care services are fundable through WIN only when these services are not available through Title XIX, Title XX or any other funding source. Likewise, selected vocational rehabilitation services are fundable through WIN only when they are not available through the Vocational Rehabilitation Agency or any other funding source.

Time spent by county specialized staff providing WIN social services to WIN registrants and their families, such as family planning and home management, is to be charged to WIN. If specialized staff are located within the SAU, they must provide services to WIN registrants exclusively.

If a nonspecialized social services worker is providing services to other than WIN registrants in the SAU, or is providing nonsupportive services, that time should be charged to the appropriate category in AFDC.

.13 Adults

Included within the spectrum of Social Services provided to recipients of the adults program are the following subcategories of adult services: (For definitions, see Sections 25-812.111 - .115).

- .131 Child Care Services.
- .132 Family Planning Services.
- .133 Services to the Mentally Retarded.
- .134 Services to Drug Addicts.
- .135 Services to Alcoholics.
- .136 Current Recipients Only - Services other than .131 - .135.

Time charged to this category should be for services to current recipients and applicants only, but not to include any of the five services above. Services that would be included in this category are:

- a. Services to adults in foster care, including development, recruitment, study, approval and subsequent evaluation of out-of-home living arrangements. Do not include inspections required to comply with health and safety standards or the actual issuance of a license.
- b. Protective services for adults.
- c. Out-of-home services to adults.
- d. Strengthening individual and family life.
- e. Educational and training services.
- f. Health services.
- g. Money management.
- h. Employment and Rehabilitation Services.
- i. Other social services not listed in .131 - .135 above.

NOTE: Do not include in this category those services which are specifically listed in .131 - .135.

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	.137 Former and Potential Recipients - Services Other than .131 - .135. Time charged to this category only for protective services to those adults who are mentally handicapped persons or who are hospitalized, or in danger of being hospitalized at public expense.	
	.138 Other - Refer to AFDC, Section 25-812.119.	
.14	Adult Homemaker/Chore Services Time (other than assessment time) should be charged to the Adult Homemaker/Chore Services program by Adult Homemakers of the welfare staff, their immediate supervisors, and county welfare department supervisors who are responsible for supervising either contracted individual or agency homemakers. Supervisory functions are limited to the actual inspection of the duties performed by Adult Homemaker/Chore Services personnel.	
.15	Adult - Out of Home Care Any time that the service worker spends determining the need or lack of need for out-of-home care for a SSI/SSP applicant or recipient will be charged to this category. Only time spent actually assessing or reassessing the need for out-of-home care should be reported.	
.16	MNO - Medical Needy Only Included within the spectrum of Social Services provided to recipients of the MNO program are the following subcategories of MNO services: (For definitions, see Sections 25-812.111 - .116). .161 Child Care Services. .162 Family Planning Services. .163 Services to the Mentally Retarded. .164 Services to Drug Addicts. .165 Services to Alcoholics. .166 Services to Children in Foster Care. .167 Current Recipients - Services Other Than .161 - .166. Time charged to the MNO category should include services other than .161 - .166 above that are provided to current MNOs. Types of services to be included in this category would be those listed under AFDC, Section 25-812.117, Current Recipients Only, and Adults Section 25-812.136, Current Recipients Only.	
	Note: Do not include in this category those services which are specifically listed in .161 - .166.	
	.168 Other - See AFDC Section 25-812.119.	
.17	Medical Indigent Include time spent on all social services to current recipients of the Medical Indigent Program. If a person is a General Relief or General Assistance Recipient, and is also in the medical indigent program, time spent on providing social services may be placed in the Medical Indigent category.	
.18	Adoptions Time charged to this service program should be charged to one of the following categories: .181 Services to Current Recipients (Preplacement) Time charged to this category should be only for services rendered to current recipients. Activities that are included in this category are: a. Services to natural parents when relinquishment and adoption of the child is being considered. b. The acceptance of relinquishments.	

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- c. Services for children in preadoptive care for the first 120 days after relinquishment until adoptive placement is made.
 - d. Services for the recruitment, selection and training (homestudy) of potential adoptive families.
 - e. Services to intake applicants for the selection and placement of children in adoptive homes.
- .182 Services to Former and Potential Recipients (Preplacement)
Include in this category, the same services as listed in Item 1 above, which are provided to a former or potential recipient.
- .183 Postplacement Services
Time charged to this category should be for all postplacement services provided to a case beginning the day the child is actually placed in an adoptive home. Activities under this sub-program include:
- a. Supervision of children in adoptive homes.
 - b. Preparing and completing necessary documents, reports and records for completion of adoption.
 - c. Interviews with adoptive family after adoption is final when specific information is needed regarding the child or limited services are necessary.
 - d. Interviews with the natural parent following relinquishment to provide limited services.
- .184 Independent Adoptions
Time to be included in this category is that related to obtaining the consent from the natural parent, investigating the fitness of the prospective adoptive parents, and submitting the required court report.
- .185 Other - See AFDC, Section 25-812.119.
Note: In conducting the time study, time should not be charged against the adoption subprograms for any of the following activities.
- a. Income Maintenance and General Relief.
 - b. Recruitment, study and licensing of foster homes.
 - c. Supervision of children in foster care when an adoptive home is not readily available, or when the child is not now ready for adoption or when a child cannot be placed for adoption.
 - d. Medi-Cal eligibility and service.
 - e. Supervision of children in free foster home care, long-term foster home agreements or children who have legal guardians.
 - f. Staff development and medical consultation for staff.
 - g. Stepparent Adoptions Program. Activities under this program are not reimbursable under federal or state regulations. Time spend on this activity is to be charged to "Other County Only Programs" (OCOP).
- .19 CPS - Child Protective Services
The activities under this program involve protective services directed toward nonaided, nonlinked children and families. Time should be charged to the CPS program when providing protective services to this group. Time spent on providing protective services for aided or linked children should be charged to the appropriate category in the AFDC program.
- .20 Boarding Home Licensing (BHL)
Include in this category only nonservice functions provided by the services worker relative to the actual issuance of the license, or inspections to determine compliance with health and safety standards.

25-812 **TIME STUDY PROCESS - SOCIAL SERVICES FUNCTION** (Continued) **25-812**

.21 GR - General Relief

The activities under this program involve any service which a county provides to recipients of General Assistance that do not qualify for services under AFDC, Adults, MNO, Medical Indigent, CPS, or the Adoptions program.

.22 OCOP - Other County Only Programs

This includes time spent providing social services to individuals or groups which are not linked to any program previously defined. An example for this would be the crippled children program or the stepparent adoptions program.

.3 Staff Required to Complete Time Study (DFA 46)

This time study (DFA 46) is to be completed by Social Services staff. This includes the following categories of workers (also listed on the reverse of the DFA 46):

- a. Social Services workers, including coordinators engaged in pure social services activities.
- b. Services aides.
- c. Medical, legal, employment, or other service consultants who are employees of welfare department, hired to assist social services staff in providing services and/or plan, develop and evaluate services.
- d. Adoption workers, AFDC homemakers.
- e. Immediate supervisors of the above staff except those of consultants.
- f. SAU staff whether located in the welfare department or at EDD.

NOTE: County welfare department staff who are employed full-time in day care centers and other approved service centers which are separate and apart from the regular welfare office are not required to complete a time study.

Only the personnel listed above should complete the DFA 46. Any other staff category must be specifically approved by the Department of Benefit Payments before time studies will be allowed.

.4 Instructions for completing the DFA 46

.41 Frequency

County staff engaged in the "Social Services Function" are required to conduct a time study during the second month of each quarter. The timestudy months are listed in Section 25-811.41.

.42 Personal Data

This information, to be completed on the DFA 46, is the same as that listed in Section 25-811.42.

.43 Charging Time to Program - Services Staff

This procedure is the same as the Eligibility/Nonservices (see Section 25-811.43).

.44 Charging Time to Program - Supervisory Staff

The supervisor has two alternate methods for allocating his time to programs. These methods are outlined in Section 25-811.44.

.45 Nonallocable Time

All time spent in providing services to the programs listed in Section 25-812.1 is allocable. Time spent in any other activity is nonallocable and would include the following:

.451 Vacation

Indicate the amount of time, if any, spent on vacation during the time study month on line "M" of the DFA 46.

.452 Sick Leave

Indicate the amount of time, if any, spent on sick leave during the time study month on line "N" of the DFA 46.

.453 Other Nonallocable Time

- (a) If a services worker performs both service and nonservice functions such as administrative functions, that portion of time spent on nonservice activities is to be charged to the nonallocable category on line "O" of the DFA 46. A services worker spending total time on nonservice functions is not to complete a time study.

25-812 TIME STUDY PROCESS - SOCIAL SERVICES FUNCTION (Continued) 25-812

- (b) Dock Time
- (c) Jury Duty
- (d) Time spent performing any activities other than services activities related to the programs and subprograms listed in Section 25-812.1.

.46 Daily Total

The total time to be recorded is explained in Section 25-811.47.

.47 Certifications

.471 Employee Certification

This requirement is explained in Section 25-811.481.

.472 Supervisor Certification

This requirement is explained in Section 25-811.482.

.5 Important Points to Remember in Completing the DFA 46

	Topic	Information
a.	Types of Recipient Groups	<p>There are two major groups of recipients to whom services are provided. These are:</p> <ol style="list-style-type: none"> 1. Current Recipients - For this time study this term means applicants and recipients who are receiving categorical public assistance, or are certified for Medical Assistance to the Medically Needy Only (MNO). 2. Former and Potential Recipients means: <ol style="list-style-type: none"> (a) Former Recipient - Recipient who received categorical public assistance within the past 24 months. (b) Potential Recipient - is a person or family: <ol style="list-style-type: none"> (1) Who would be eligible for AFDC if the earnings exemption applied; or (2) Who is considered by the county welfare department for reasons described in the county plan as likely to become a recipient of public assistance within five years; or (3) Who is at the dependency level and who may belong to a defined group or live in a low-income neighborhood.
b.	Former and Potential AFDC	Time spent on Social Services included in the approved county plan to former and potential AFDC recipients is chargeable to the AFDC Program.
c.	Former and Potential Adult	Time spent on Social Services to former or potential Adult recipients is chargeable to the GR program, except for that spent on informational and referral services and Protective Services for Mentally Handicapped which is chargeable to the Adult Program.

25-812 **TIME STUDY PROCESS - SOCIAL SERVICES FUNCTION** (Continued) **25-812**

- | | | |
|----|---|---|
| d. | Day Care Center
or Service Center | If you are a Social Services worker working in a day care center or services center, do not complete a time study. |
| e. | General
Relief | Time spent on Social Services other than Child Protective Services, to nonaided, nonlinked children is chargeable to the GR program |
| f. | Child
Protective Services | Time spent on Child Protective Services to nonaided, nonlinked children and families is to be recorded to CPS. |
| g. | Nonallocable
Time | In small counties some staff might work on services functions part time and on administrative or clerical functions the rest of the time. In these cases, the time spent on administrative or clerical functions must be charged to nonallocable activities. |
| h. | Boarding
Home
Licensing
Social
Services | Social Services staff involved in the Social Services activities related to the Boarding Home Licensing program are to record their time to either AFDC or Adults, or a combination of both, depending upon the program(s) benefited. Time spent on any nonservice functions provided by the services worker is to be charged to "Licensing." |
| i. | Form
Retention | Each DFA 46 shall be retained in the county for audit purposes. Do not send the DFA 46 to DBP. |
| j. | Conference
Time | Time spent in conference with supervisors, in staff or on other meetings, or on other appropriate departmental activities is to be charged to the program involved in the regular ongoing assignment. |
| k. | Other County
Only Programs | Time spent on county functions unrelated to Federal or State welfare programs is to be charged to OCOP. |
- .6 Preparation of the "Social Services Time Study Summary and Program Activities Ratios" (DFA 47)
- a. At the end of each time study month, collect all DFA 46s which have been completed by county personnel engaged in the Social Services function.
 - b. Examine each DFA 46 to insure that each time study has been completed correctly.
 - c. Add together the total number of allocable hours indicated for each component program (listed in 25-812.1) in the Social Services function.
 - d. Transfer the grand total of allocable hours for each program to the corresponding program space in Column 3 on the Time Study Summary (DFA47). (SAU hours are recorded separately in Column 1. They are not included in the grant total of hours to be allocated as they are a direct charge item.)
 - e. Determine the allocation ratios for each subprogram by following the detailed computational instructions at the bottom of the DFA 47 (SAU ratios will be computed separately as per instructions).
 - f. The individual subprogram allocation ratios are used in preparing the quarterly claim for administrative expenditures.
 - g. Submit the DFA 47 to DBP in the same manner as the DFA 323 (see Section 25-811.6.g).

25-812 TIME STUDY PROCESS - SOCIAL SERVICES FUNCTION (Continued) 25-812

.7 Nonallocable Casework Staff

The following staff do not conduct a time study for the reasons specified below:

.71 Clerical and Administrative Staff

Clerical and Administrative staff are considered supportive staff to the allocable casework staff. Their time is considered to be in direct proportion to the time spent by the allocable casework staff. An exception to this rule is:

.711 Licensing staff, including clerical support, who are engaged in the direct issuances of licenses or the enforcement of safety and health standards. Employees engaged in this type of activity should complete a time study (e.g., DFA 46).

.72 Specialized Services Staff

.721 Staff who are employed in Day Care Centers and other approved services centers which are separate and apart from the regular welfare complex.

.722 Staff who are engaged in special projects under a state/county agreement for which there is special funding through sources other than the administrative expenditures claim.

The above staff are reported on the Administrative Expenditures Claim as direct charges to the welfare program benefited, (see Section 25-821.3). Thereafter, their time cannot be included with allocable casework time which serves as the basis for distributing allocable administrative costs.

25-815 GENERAL REQUIREMENTS FOR CLAIMING ADMINISTRATIVE EXPENDITURES 25-815

.1 Claim Period

The four quarters of a fiscal year in which Administrative Expenditures claims are prepared are:

July - September
October - December
January - March
April - June

.2 Timely Submittal

The Administrative Expenditures Claim is due in the state office by the twelfth working day following the end of the reporting quarter. The original and a copy are required. Send to:

Department of Benefit Payments
744 P Street
Sacramento, CA 95814

Attention: Claims Audit and Control

Noncompliance with the above due date may jeopardize the county's monthly advance for welfare administrative funds. If for any reason the county finds that they cannot meet the due date, the county should notify the Bureau Chief of Claims Audit and Control. Arrangement may be made to extend the due date in accordance to the county's needs.

25-815	GENERAL REQUIREMENTS FOR CLAIMING ADMINISTRATIVE EXPENDITURES (Continued)	25-815
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.3 Reporting of Expenditures

Claims sent to DBP are to be submitted on the necessary claim forms only. Counties are not required to submit details for computing costs unless specifically requested; however, this supporting data must be maintained on file to provide accurate and accessible audit trails.

.31 Rounding Off

Costs reported on the administrative claim may be rounded off to the nearest whole dollar.

.32 Reporting All Expenditures

All administrative expenditures incurred by the county welfare department must be reported on the Administrative Expenditures Claim regardless of the funding source. For example, although actual costs of child care payments are funded by DOE, they are reported on the administrative expense claim as an extraneous cost (see Section 25-821.6).

.33 Reporting Salary of Staff Involved on More than One Function

When an employee works on more than one functional category (services, eligibility, administration) during a quarter, there are two options available for reporting salary expenditures on the Administrative Expenditures Claim Schedule, DFA 325.

The two options are:

a. Split Function Method

Under the split function method, salary expenditures for an employee who works in more than one functional category in a quarter are either claimed under Allocable Services, Allocable Eligibility, Clerical, Administration, Direct Services, or Direct Eligibility according to the length of service in each functional category during the quarter.

b. Allocation Method

Under the allocation method, salary expense for an employee who works on more than one functional category in a quarter is claimed under administration, and thus will be allocated to both services and eligibility based on time study program ratios.

These methods are not intended to allow counties to have workers perform both eligibility and social services functions but rather to allow proper funding when an employee's job is changed.

Whichever option is selected by a county must be used for the entire fiscal year. If a county, after an entire fiscal year, decides to switch to the other method, it may do so without notifying the DBP. This requirement is effective as of July 1, 1973. To claim costs prior to this time the county may use the quarterly position method or other methods that were approved for the appropriate claim period, but as of July 1, 1973, only the split function method and the allocation method are acceptable.

.34 Cash Flow Reporting

Reporting of Administrative Expenditures on the Administrative Expenditures Claim shall be on a continuous cash flow basis, e.g., report those expenditures paid during the months within the quarter of the claim, irrespective of when the benefits were received; for example:

Bills for services rendered in June are received in July and paid at the end of July. Payment is reported on the July-September quarter Administrative Expenditure Claim.

25-815 GENERAL REQUIREMENTS FOR CLAIMING ADMINISTRATIVE EXPENDITURES (Continued) 25-815**.35 Prior Year Expenditures**

Items of expenditures, including A-87 costs, omitted from any quarterly administrative expenditure claim of a previous fiscal year will be allowed for financial participation in accordance with the following:

.351 Availability of Funds

Federal and/or state funds are available on a cash flow basis. If a county reports prior year expenditures, these expenditures are applied against prior appropriations. If the prior appropriation is closed ended, then the county will only receive reimbursement until their appropriation has been exhausted. When the appropriation for that fiscal year has been exhausted, reimbursement will be available only after Board of Control approval.

.352 Time Limitations

Time limitations must be met as follows:

- (a) If the expenditure is one in which DBP authorization is not required, e.g., supplies, equipment, etc., the maximum time period in which the expenditure must be claimed in order to obtain reimbursement is 12 months from the end of quarter in which the expenditure should have been claimed.

For example - A bill of \$1,000 was received by the county for supplies in January. The bill was paid at the end of January. The expense should have been claimed on the January-March quarterly Administrative Expenditures Claim. Due to an oversight, it was not. The maximum time period in which this expenditure can be claimed is March 31 of the following year.

- (b) If the expenditure is one in which DBP authorization prior to claiming is required, e.g., space, EDP, etc., reimbursement will be available from the beginning of the quarter in which the county has given written notice to DBP that plan material will be submitted, provided that not more than 12 months elapse between the date of the notice of intent to file and the submission of plan material.

For example - In January, the county notified DBP by letter, of their intent to rent space effective February 1. The supporting documents are submitted to DBP in March (2 months elapse time). Because of problems, the county was required to modify the space plans. DBP authorization was finally granted in March of the following year. The county may claim costs retroactively from the date of occupancy since the notice of intent and submission of plan material within the prescribed time period requirements were met.

- (c) Relative to (2) above, if DBP authorization was granted, but the county did not claim, the maximum time period in which the expenditure must be claimed in order to obtain reimbursement is the same as (1) above.

25-815 **GENERAL REQUIREMENTS FOR CLAIMING ADMINISTRATIVE EXPENDITURES** (Continued) 25-815

.353 Claim Preparation

A separate Administrative Expenditures Claim is prepared for prior year expenditures. A county may not combine more than one prior fiscal year on one claim. If the claim affects only one quarter of the year, use the time study and forms applicable for the period. For an adjustment affecting the entire fiscal year, use the time study and forms used for the fourth quarter of the fiscal year. If the fiscal year is prior to Fiscal Year 72-73, refer to Section 25-832.

.36 Reporting Reductions of Expenditures

The county welfare department, or the county auditor, whoever has the responsibility for preparing the Administrative Expenditures Claim to obtain reimbursement, also has the responsibility to insure that any reduction in expenditures previously claimed is properly reported as a reduction against the administrative claim in the category in which the expenditure was originally claimed.

The following are some examples of expenditure reduction:

- a. Salary adjustments, because of jury duty, imposed on welfare employees.
- b. Salary adjustments resulting from termination of employment for welfare employees.
- c. Recovery of damages to county owned cars assigned to the welfare department.
- d. Adjustment due to vacancy of a building in which financial participation was provided on an accelerated rate.

If a building was vacated after December 31, 1969, fifty years shall be the basis for adjustment.

For example: 1. The county welfare department purchased a building for \$70,000 on January 1, 1955. An accelerated rate (10 years) of depreciation was allowed by DBP whereby the cost of the building was completely claimed for reimbursement by January 1, 1965. The county welfare department, however, vacated the facility on January 1, 1972. In this example, the county must reduce (abate) its space expenditures on the January-March 1972 quarterly Administrative Expenditures Claim by \$46,000 as determined by the following formula:

Amount previously claimed for reimbursement	\$70,000
Annual use allowance on 50 years - 2 percent	
Occupancy in time - 17 years	
Occupancy in costs (\$70,000 x .02 x 17)	23,800
Abatement	46,200

In the above example, if the building was vacated prior to January 1, 1970, forty years would be the basis for adjustment.

- e. Sale of equipment sold or transferred which has not been fully depreciated.

Equipment is claimed on a lump-sum basis for financial participation. If such equipment has not been fully depreciated and is sold or transferred to another public agency, its depreciated value must be reduced (abated) against the Administrative Expenditures Claim. If the equipment is sold at public auction, abate only the amount of sale.

The guidelines on useful life on assets, published by the Internal Revenue Service (IRS Publication No. 534), should be used in determining the depreciated value.

.37 Expenditures Requiring Written Authorization

Refer to the section indicated below:

- a. Space Costs, includes:
 - (1) Rental or Lease of Privately Owned Space - 25-829.41
 - (2) Alteration and Improvement - 25-829.42, 25-829.45
 - (3) Construction or Purchase of Building - 25-829.43
 - (4) Publicly Owned Space - 25-829.44
 - (5) Building Maintenance and Services - 25-829.46
 - (6) Purchase or Lease with Option to Purchase - 25-829.47
- b. Costs determined through the Countywide Cost Allocation Plan (A-87) - 25-827
- c. EDP Costs - 25-828
- d. Management studies relating to welfare - 25-830
- e. Adult Homemaker/Chore Services Program - 25-831
- f. District Attorney Costs - 25-836
- g. Special Project Costs - 25-841

.38 Retention of Records

Records substantiating all administrative expenditures claimed for federal and state reimbursement and all other related records supporting such reimbursement (caseload data for Adult Homemaker/Chore Services, Boarding Home Licenses issued and renewed, etc.) shall be retained for audit purposes. Records must be maintained as required by 23-353 or until all audit issues have been resolved, (see Section 25-602).

.4 Audits and Reviews of Expenditures

Refer to Regulation Section 25-250

.5 Sanctions

Refer to Regulation Section 25-240

25-820 ADMINISTRATIVE EXPENDITURES CLAIM - INSTRUCTIONS

The Administrative Expenditures Claim is the vehicle the county uses to obtain the appropriate federal and state matching of costs incurred by the county welfare department. In order for the Administrative Expenditures Claim to be a workable document and for federal and state reimbursement to be available, it must be uniform for all counties. The Administrative Expenditures Claim consists of the following forms, (for form samples see Chapter 25-600):

25-820	ADMINISTRATIVE EXPENDITURES CLAIM - INSTRUCTIONS	25-820
	(Continued)	

DFA NUMBER	TITLE	FUNCTION
47	Social Services Time Study Summary and Program Allocation Ratios	Accumulates program hours for developing program allocation ratios for the Social Services Function
323	Eligibility Time Summary and Program Allocation Ratios	Accumulates program hours for developing program allocation ratios for the Eligibility/Nonservices function.
403	Reconciliation of Time Studies to Allocable Salary Pools	Balances the number of salaries in the allocable services and eligibility pools to the number of time studies.
325-1-2-3	Expenditure Schedule and Certification	Lists all welfare department administrative expenditures for the quarter by group and object of expenditures.
327.1	Social Service Program Distribution	Allocates costs by program for the Social Services function.
327.2	Eligibility and Nonservice Program Distribution	Allocates costs by program for the Eligibility and Nonservices function.
327.3	MNO, AFDC, and WIN Modification Worksheet	To arrive at the correct amount of state sharing in these programs.
327.4	Modification Sheet to Arrive at State Participation	To arrive at correct amount of state sharing in Boarding Home Licensing, Adoptions, Adult Homemaker/Chore Services, and Food Stamp costs.
327.5	Distribution of MNO Costs to Adults and AFDC	Distributes MNO costs to these programs.
327.6	Social Services Fund Distribution Reports	Provides format for computing federal, state and county share of Social Services costs.
327.7	Eligibility and Nonservice, Nonfederal, Fund Distribution Reports	Provides format for separating federal and nonfederal programs, and nonfederal programs, and computing federal, state and nonfederal programs, and computing federal, state and county share of Eligibility and Nonservice costs.
327.8	Total Expenditures Fund Distribution Reports	Combines expenditures of Social Services and Eligibility Nonservices for each program, and provides format for computing federal, state, and county share of total costs.
384	Quarterly Eligibility and Grant Maintenance Adjustment Report	To adjust salary differential (refer to Section 25-825.2).
396	WIN Child Care Data	Forwarded to the DHEW. Required as a condition for federal participation.
419	Claim Summary Sheet	To provide explanatory data for any significant fluctuations (15 percent or more) in the various claiming areas, between the current quarter and prior quarter claim.

25-820 ADMINISTRATIVE EXPENDITURES CLAIM - INSTRUCTIONS 25-820
(Continued)**.1 DFA 47 and DFA 323**

The Time Study Summaries are used to accumulate program hours from the individual time studies (see Section 25-811 and 25-812). The format of each summary corresponds to the format of the individual time study for that function, so that all hours recorded on the time studies are totaled and recorded on the appropriate summary.

.2 DFA 403

This is a reconciliation form which requires that a county must balance the number of salaries (excluding SAU salaries) in each pool (Social Services and Eligibility Non/Services) to the number of time studies. Any amount in the salary pool not reconciled must be shown on the claim as a direct charge to OCOP, which is 100 percent county funded. This may be adjusted to the correct funding once the county verifies to DBP's satisfaction that the timestudy was prepared during the appropriate period.

.3 DFA 327.1 - .8

The mathematical computations are on these forms. The instructions on each form are self-explanatory.

.4 DFA 384

Complete instructions for this form are in Section 25-825.2.

.5 DFA 396

This form is sent in the Administrative Claim packet to DBP. The data it provides is forwarded to DHEW, as required for federal financial participation.

.6 DFA 419

The purpose of this form is to provide explanatory data for any significant fluctuations in the various claiming areas between the current quarter and the prior quarter claim. The form will facilitate DBP audit of the claims and will provide back-up data to the Federal Government concerning quarterly fluctuations on Administrative claims.

For Claim Summary purposes, a 15 percent change will be considered a significant fluctuation. Claiming areas listed on the form are taken from the DFA 325.1 and 325.2. They appear in the same order as listed on the Administrative Claim. In each claiming area, compare the amount of money being claimed for the current quarter to the amount claimed for the prior quarter. If a minimum of a 15 percent fluctuation (either positive or negative) has occurred, explanatory data is required.

The DFA 419 lists eight possible "causes." After evaluating the situation, determine if one or more of the suggested "causes" is applicable or if additional information is necessary. It is possible that paid overtime hours may also be a "cause"; if this is the case, the county should identify this in the area provided on the reverse of the form. If additional information is provided, reference it to the appropriate claiming area.

For example:

If a significant fluctuation occurred in the Allocable Social Service and Allocable Eligibility and Nonservice Salary Pools, it is possible the fluctuation was caused by an extra pay period (the inclusion of seven rather than six biweekly pay periods), fluctuation in staffing, and an increase in salary and benefits. In this case, columns one, two, and three would be checked on the DFA 419.

25-821 DFA 325 "ADMINISTRATIVE EXPENDITURES SCHEDULE"**25-821**

The DFA 325 is the most important form of the Administrative Expenditures Claim. Its purpose is to accumulate and classify costs into specific groups and subgroups in order that they may be systematically channeled through the cost allocation process or direct charged to functions and program.

To facilitate the completion of the DFA 325, it is advisable to identify and accumulate costs to groups and subgroups on separate work sheets. Codes (explained on the 325.3) are used to identify the services provided to each program within the group.

This will also provide federal and/or state auditors with the necessary audit trail in future audits of the Administrative Expenditures Claims.

Costs included in each of the groups and subgroups are:

.1 Group I - Casework Costs (Personal Services)

Costs included in this group are the casework staff salaries and benefits of both Social Services and Eligibility Nonservices, as identified in the following subgroups:

.11 Allocable Social Services

This includes casework staff engaged in pure social services (except staff employed in day care centers and other approved service centers which are separate from the regular welfare complex). For a list of specific staff, refer to Section 25-812.2.

.12 Allocable Eligibility and Nonservice

This includes casework staff engaged in activities relating to eligibility and income maintenance. For a list of specific staff, refer to Section 25-811.2.

.2 Group II - Allocable Support Costs

Costs included in this group are supportive and operating costs (overhead). Such costs are distributed first to function, then to program based on the allocation ratios developed on the DFA 323 (see 25-811.5) and the DFA 47(see 25-812.5).

.21 Personal Services

.211 Clerical Support

Included here are clerical support staff who are predominantly indirect support of casework staff in Group 1. Such staff include:

- a. Receptionists
- b. Stenographers and typists
- c. Social Services unit clerks
- d. Public assistance budget clerks
- e. First-line supervisors of staff in a. through d. above.

25-821 **DFA 325 "ADMINISTRATIVE EXPENDITURES SCHEDULE"** (Continued) **25-821**

.212 Administrative Support

Staff included here are:

- a. Welfare directors, district directors, assistant directors, and second-line supervisors and above.
- b. Administrative services officers, personnel officers, programmers, statisticians, accountants, administrative analysts, other staff engaged in planning for administration functions.
- c. Clerical staff predominantly in support of the staff in a. and b. above.
- d. Accounting clerks, stock clerks, key punch operators.
- e. Social services staff or eligibility staff engaged in administrative duties.
- f. Janitors, gardeners, and other staff of the welfare department who provide upkeep services.

.213 Travel

Include here all travel costs except those for staff development (see 25-821.42), and those applicable to staff in Group III who are in Day Care Centers, Services Centers, or special projects under state/county agreement (refer to 25-821.3). Such travel costs include:

- a. Costs of cars purchased or rented, car pool, fuel, automobile repairs, garaging and insurance.
- b. Employee mileage allowances, fares, and per diem expenses.

.22 Operating Costs

.221 Space

Include in this subgroup welfare office space costs and welfare space costs direct billed or allocated through A-87 (Section 25-827), excluding separate warehouses for storage and issuance of food stamps. Costs may include:

- a. Rental or purchase of space.
- b. Major repairs and alterations. (Do not include costs of maintenance services, supplies, painting, decorating. Such costs are to be included in Other Operating Costs.)

Costs of rental for newly acquired space, purchases or construction of newly acquired buildings, and major repairs and alterations must have DBP authorization prior to claiming, (see Section 25-815.37). Also, because of problems experienced in the past over the control of DBP authorized space, identification of separate welfare space locations including space included in A-87 is required on the DFA 325.

There are only four lines on the DFA 325 for space identification. Should more lines be needed, please use a separate sheet.

25-821 DFA 325 "ADMINISTRATIVE EXPENDITURES SCHEDULE" **25-821**
(Continued)**.222 Other Operating Costs**

Include here:

Supplies, postage communications, space maintenance, utilities, painting, decorating, publications, memberships, equipment, equipment repairs, furniture, etc.

Do not include operating costs of day care centers, service centers, or special projects centers under state/county agreement. Such costs are direct charges to the function and program benefited in Group III, (see Section 25-821.3).

.23 Purchase of Services**.231 Public Agencies - A-87**

Include here costs of administrative overhead services (purchased from other public agencies) that are allocated through the countywide cost allocation plan (A-87); exclude space and EDP costs.

.232 Public Agencies - Direct or Memo Billed

Include here, costs of administrative overhead services (purchased from other public agencies) that are direct or memo billed; exclude space and EDP costs.

.233 Private Agencies

Include here:

- a. Costs of space upkeep purchased from a private agency.
- b. Costs of legal services, surveys and audits purchased from a private agency. Such costs, in order to be claimable, however, require DBP prior approval, (see Section 25-815.37).

.234 EDP Costs

Allowable EDP costs are reported on the quarterly administrative expenditure claim as an overhead item. The claim allows for a county to identify how much of the cost is allocated through the countywide cost allocation plan (A-87) and how much is either direct or memo billed. These amounts are then combined in order to distribute the cost between Social Services and Eligibility functions.

Prior to claiming EDP costs, three requirements must be met. They are (1) DBP approval, obtained from the County EDP Systems Bureau, as outlined in Circular Letter No. 2580, and (2) DBP review of the county's costing method (part of the Countywide Cost Allocation Plan if purchased from another county agency), and (3) federal approval which is based on DBP review and recommendation of the county's costing method. Refer to Section 25-828 for instructions on prior approval and special instructions on reimbursement.

25-821 DFA 325 "ADMINISTRATIVE EXPENDITURES SCHEDULE" (Continued) 25-821

.3 Group III - Direct Costs

Costs included here are claimed on the administrative claim to a specific function and a specific program(s). Such costs are unique, not only because they benefit only a specific function or program, but in some cases, the federal and state reimbursement rate differs from the rate applicable to similar type costs. Costs in this group are classified into two major subgroups - Social Services and Eligibility/Nonservices.

.31 Social Services

.311 Personal Services

Social services staff, along with related clerical and travel, in day care centers or services centers which are separate and apart from the regular welfare complex. Also, staff of special projects, such as the Model City Project, (other than child care) for which the source of federal reimbursement may be partially from funds other than public assistance.

WIN and AFDC Separate Administration Unit (SAU) staff should be claimed in this group.

Claim center costs or project costs separately and state the purpose for such costs by code on the DFA 325.

Do not include state-numbered projects which are claimed on GEN215.

.312 Operating Costs

Include here:

- a. Operating costs of approved services centers described in 25-821.311.
- b. Cost of emergency shelter care operated by the county welfare department, not to exceed 14 calendar days, if included in the approved county plan. Refer to Section 25-835 for instructions on how to obtain costs by program.
- c. Child care costs of the Work Incentive Program (WIN) where payments are made to individuals rather than an agency.
- d. The cost of returning nondelinquent runaway children, (see Section 25-834).
- e. Services-connected expenditures for AFDC:
 - (1) Medical examinations to determine suitability for training, employment, or to enable self-support.
 - (2) Medical and remedial care expenditures which are part of family planning services, e.g., medical contraceptive services not provided through the Medi-Cal program.

25-821 DFA 325 "ADMINISTRATIVE EXPENDITURES SCHEDULE" (Continued) 25-821

- (3) Required medical examination expenditures for persons caring for AFDC children.
 - (4) The expenditures of identifying health problems of children in child care facilities.
 - (5) Expenditure of medical diagnosis and consultation when necessary to carry out services responsibilities.
 - (6) Educational Training Services (ETS) costs.
 - (7) Travel and per diem expenditures of children and parents to obtain consultation or health care.
 - (8) Moving expenditures where necessary to correct hazardous living conditions.
 - (9) Costs of AFDC homemaker when payment is made to an individual rather than an agency, and where the homemaker is not an employee of the welfare department.
- f. Services connected expenditures for adults, which includes travel and related costs for eligible adult persons to community facilities and resources.
 - g. Cost of Adult Homemaker/Chore Services when payment is made to an individual rather than an agency, and where the Homemaker is not an employee of the welfare department.

Each of the above operating costs must be identified separately on the DFA 325. However, services-connected expenses for AFDC may be combined.

.313 Purchase of Services

Included in this subgroup are costs of social services from private or public agencies or organizations under agreement or contract. Where costs are for social services purchased from a public agency, they must be determined in accordance with the guidelines of A-87. Refer to Section 25-833 for criteria applicable to all purchase of Social Services.

Costs include:

- a. Adult Homemaker/Chore Services
- b. Homemakers for AFDC
- c. WIN Child Care Services
- d. Complementary services, rehabilitation, employment services, and other social services.

Each of the above costs must be separately identified on the DFA325 (Group III, A.3). In addition, where a particular cost benefits more than one program, a separation of cost by program is required. To comply with federal guidelines, costs of purchases of social services must contain a short narrative explaining the purpose for the purchase on the DFA 325. To illustrate, refer to the following example:

25-821 **DFA 325 "ADMINISTRATIVE EXPENDITURES SCHEDULE"** (Continued) **25-821**

	Program	Purpose	Amount
	(a) Adult Homemaker/Adult Chore Services	(Self-explanatory)	\$1,200
	(b) Social Services AFDC	Payment to "Styleon Institute" for training AFDC mothers to become self-supporting.	800
.32 Eligibility and Nonservice			
	.321 Personal Services		
	Included here would be fraud investigators of the welfare department. The fraud investigators must split their time among the appropriate programs.		
	.322 Operating Costs		
	Include here:		
	a. Food Stamp Issuance Costs (see Section 25-838).		
	b. Medical examinations to determine eligibility for public assistance programs.		
	.323 Purchase of Eligibility and/or Nonservice Services		
	Include here:		
	a. Purchase of services from private or public agencies to develop eligibility provisions and/or nonservices provisions in federally ineligible programs.		
	b. Extra and identifiable EDP costs, related to the eligibility process above the regular ongoing cost, resulting from increased operation or new system implementation in order to comply with a state mandate.		
	c. Costs of the District Attorney's Office for collection costs as they relate to absent fathers, (see Section 25-836 for more detailed instructions).		

Other groups contained in the DFA 325 are:

.4	Group IV - Staff Development		
	.41 Personal Services		
	Include here:		
	a. Salary or fees for staff development personnel assigned at least half-time to staff development.		
	b. Employees in training in staff development programs for at least four consecutive weeks.		
	c. Student workers employed under a bona fide training plan whereby their work experience constitutes units toward graduation.		
	d. Clerical staff directly assigned to the staff development unit.		
	e. Costs of outside experts employed to train staff.		

25-821 **DFA 325 "ADMINISTRATIVE EXPENDITURES SCHEDULE"** (Continued) **25-821**

.42 Operating Costs

Include here:

- a. Purchase or rental of office equipment for qualified training officers and trainees under state approved training programs.
- b. Audio-visual aids, technical devices, books, teaching equipment, etc.
- c. Payment of travel, per diem and educational expenses of staff while attending formalized training sessions.

.43 Purchase of Services

Include here:

- a. Payments for special courses developed outside the welfare department, costs of instructors, tuition, fees, etc.
- b. Costs of educational leave stipends.

.5 Group V - Total Welfare Costs

This represents the total of Groups I through IV.

.6 Group IV - Extraneous Costs

Include here costs of activities performed by county welfare department staff which are not related to welfare functions or programs, e.g., a welfare clerk who is loaned on a temporary or part-time basis to assist another agency. Fingerprinting fees for child placement licenses would also be included within extraneous costs if the expense was borne by the county,(see Section 25-837).

In order to maintain a complete record of welfare costs, also record and identify here those child care costs now claimed against the Department of Education.

.7 Group VII - Memo Items

The data required in this group is used in determining proper federal and state reimbursement for the Licensing Program, Adult Homemaker/Chore Services Program, Adoptions Program, and other data as required.

.8 Group VIII - Certification

Certification of the claim is required by the State Controller's Office. Payments of federal and state funds held in trust for specific programs or purposes cannot be disbursed without certification by officials responsible for the obligations and disbursements of such funds. In the event this responsibility is delegated to another official, the name and title of the representative signing the certification must be shown.

25-824 **SPECIALIZED CLAIMING INSTRUCTIONS** **25-824**

The remaining sections relate to specific claiming instructions for certain items of expenditure that have special requirements in addition to those discussed in Sections 25-815 and 25-820.

25-825 ELIGIBILITY SALARY LIMITATION**25-825****.1 Limitation on State Reimbursement for Eligibility and Grant Maintenance Costs**

State reimbursement, at the 25 percent rate (50 percent of the nonfederal share), is available for administrative costs related to the eligibility and grant maintenance functions. However, where a Social Worker is used in place of an Eligibility Worker to perform eligibility and grant functions, or where a Social Worker Supervisor is used in place of an Eligibility Supervisor to supervise eligibility staff, state reimbursement shall be limited to the county's established maximum salary costs of the Eligibility Worker or Supervising Eligibility Worker class, whichever is applicable.

For example:

Monthly Salary of Social Worker Performing Eligibility and Grant Maintenance	\$980
Monthly Salary of the Maximum Eligibility Worker Classification	\$850
Total Salary Cost Eligible for State Reimbursement	\$850

Exceptions to the above requirement:

- a. A Social Worker or a Supervising Social Worker who has been reclassified to an Eligibility Worker or a Supervising Eligibility Worker, but whose salary remains at the former level under appropriate Merit System or Civil Service provisions for red circle or Y rates, qualifies for state reimbursement without salary adjustment.
- b. Salary adjustments do not apply to employees performing administrative functions (second-level supervisor or above).
- c. The above requirements do not apply to federal reimbursement.

.2 Salary Differential Adjustment for Claiming State Reimbursement

A salary adjustment is required where state reimbursement is limited because of the condition stated in Section 25-825.1. Form DFA 384, "Quarterly Eligibility and Grant Maintenance Adjustment Report" will serve as the basis for this adjustment. The information to be included on DFA 384 is:

- a. The name of each employee in a social worker or supervising social worker class who is performing eligibility and grant maintenance functions.
- b. The Merit System or Civil Service classification of the employee.
- c. The monthly salary paid.
- d. The maximum salary step for the comparable eligibility worker or supervising eligibility worker class.
- e. The excess between the monthly salaries paid and the maximum salary step allowance.
- f. The total excess, Item e. above, for all employees included in this report.

The total excess (Item f. above) will be used by the state to compute the reduction in state share of the eligibility and grant maintenance cost.

Form DFA 384 is to accompany the quarterly Administrative Expenditure Claim.

25-826 REIMBURSEMENT OF MATERNITY CARE COSTS**25-826**

Reimbursement of maternity care costs is available for those counties maintaining a licensed county adoption agency and having a written maternity care plan approved by DOH (see California Administrative Code, Title 22, Adoptions Reg. Sections 36017 and 36167).

.1 Reimbursable Costs

Reimbursement is provided for costs as specified and approved in the county maternity care plan.

The program provides for payment of costs of maternity care for mothers who are considering relinquishment of a child for adoption who do not qualify for Medi-Cal or other medical plans and whose personal resources are not adequate to provide for their own care. Maternity care costs shall be met through Medi-Cal to the full extent available.

.2 Reimbursement of Maternity Care Costs

Reimbursement of Medical Vendor Charges are limited to the result of the dollar coefficient for the county, as applied to the unit value for procedures contained in the publication, "Relative Value Study of the California Medical Association, 1969, 5th Edition."

The dollar coefficients for counties are:

Santa Clara County	\$5.89 per unit
Los Angeles County	\$5.89 per unit
San Francisco County	\$6.15 per unit
All other counties	\$5.64 per unit

Copies of this publication may be obtained by sending \$4.50 plus tax, per copy to:

Sutter Publications
 693 Sutter Street
 San Francisco, California

Note: Separate schedules for laboratory services are in effect and must be used exclusively. These schedules are available at the Department of Health Publications Office.

.3 Source of Funds

Funds for payment of Maternity Care costs are provided from the State General Fund as part of the support funds for the adoption program. There is no special funding for the maternity care program; however, provision for maternity care costs must be included in the county maternity care plan and the adoption budget.

25-826 REIMBURSEMENT OF MATERNITY CARE COSTS (Continued) 25-826

.4 Claiming Maternity Care Costs

Costs of medical services will be charged to the adoption program on the Administrative Expenditures Claim, DFA 325.3, and classified as Purchase of Services, Group III, A.3. Adoptions agency staff and operations costs will be allocated on the Administrative Expenditures Claim to the adoption program without separate identification as Maternity Care costs.

.5 Repayment of Maternity Care

When a mother has received maternity care assistance and subsequently decides not to relinquish a child to the agency, the mother, husband, or the child's father is appropriate, shall not be held liable for repayment of maternity care (see Title 22, Regulations 36029). However, if the agency is reimbursed for all or part of the maternity assistance, the reimbursement shall be deposited and reported on the Administrative Expenditures Claim as an abatement to the adoption program.

.6 Collection and Remittance of Fees

Section 225p of the Civil Code provides that whenever the county adoption agency files a favorable report in the Superior Court on a petition for adoption, the agency may require the persons petitioning to become the adoptive parents to pay a fee to the county agency, as agents of the state.

Section 16101 of the Welfare and Institutions Code provides for reduction of amounts (claimed for administrative expenses of the adoptions program) of all fees collected by reporting such amounts as an abatement on the Administrative Expenditures Claim, DFA 325.2, Item VII C.

25-827 A-87 COSTS - PURCHASE OF SERVICES FROM PUBLIC AGENCIES 25-827

In order for a grantee department to claim the costs of services provided by other county agencies, two types of cost plans are required: (1) a Countywide Cost Allocation Plan, and (2) a Departmental Indirect Cost Rate Proposal. The Department of Health, Education, and Welfare publication, Federal Management Circular 74-4, formerly Office of Management and Budget Circular A-87 mandates, effective January 1, 1970, the use of these two types of plans and provides the guidelines for their preparation. Any department within the local government needing assistance in the preparation of, or having questions relative to cost plans should consult the County Cost Plan Coordinator of the State Controller's Office.

.1 Definitions

.11 Grantee Department

A grantee department is one which is responsible for the administration of a federal grant program, and may be either an operating or Central Services department. The county welfare department is an example of a grantee department as the Federal Government provides the county, through DBP, a grant for the administration of the Public Assistance programs.

.12 Central Service Department

Central Service departments are those departments within the county whose function is to provide supportive services to other county agencies. (Auditor/Controller, Personnel, Purchasing, etc.)

.13 Operating Department

Operating departments are those departments within the county which deal primarily with the general public, but may provide services for another county agency (Welfare, District Attorney, etc.).

.2 Countywide Cost Allocation Plan

The Countywide Cost Allocation Plan is the means by which the allowable administrative costs of central services departments may be identified and equitably distributed to other local government agencies commensurate with the services received. The costing method encompassed in the Countywide Cost Allocation Plan permits the total cost of an activity to be identified by cost analysis rather than requiring a complete cost accounting system. Only identification, accumulation and allocation of all direct and indirect costs through a Countywide Cost Allocation Plan can assure that grantor agencies bear their fair share of cost.

25-827 A-87 COSTS - PURCHASE OF SERVICES FROM PUBLIC AGENCIES 25-827
(Continued)

.21 Countywide Cost Allocation Plan Content

In preparation of the countywide plan all costs of central service departments must be considered; departmental direct costs, departmental indirect costs and supportive service costs allocated through the cost plan.

The costs of some activities of service departments are considered costs of local government and are not allowable or allocable in the cost plan. Such costs must be identified and removed in the allocation schedules of the plan.

The Exhibit of Costs is the final product of the Countywide Cost Allocation Plan and displays the final distribution of total allocated and allowable external indirect and central support services costs to all county departments for a fiscal year. Counties are requested to select and prepare one of the four types of A-87 Countywide Cost Allocation Plan claiming documents outlined below. The plans and/or cost exhibits are to be used by operating departments to determine and support amounts claimed for costs allocated in the plan.

- a. Dollar Amount Costs Exhibits - These cost exhibits contain total allowable central support services costs (in dollar amounts) allocated in the Countywide Cost Allocation Plan for a fiscal year.
- b. Departmental Indirect Cost Rates - This type of exhibit shows an indirect cost rate for all central service departments and operating departments, derived as a ratio of allocated indirect costs to adjusted budget expenditures for each department. The rates are applied to current direct costs for services departments to determine indirect costs of a service provided to agencies outside the county structure. Operating departments apply their rate to total current departmental expenditures to determine allowable indirect costs from other county agencies.
- c. Consolidated County Indirect Cost Rate - A single rate is developed to distribute unbilled allowable external indirect and central support services costs to all benefiting operating departments. The rate is applied to current direct costs of each operating department to determine the total countywide support services costs that may be claimed.
- d. Direct Cost Certification - As an alternate to preparing a Countywide Cost Allocation Plan, a county may certify to and claim only direct costs plus ten percent of direct salaries expended for providing the services. Direct costs are those that can be directly identified with a particular function, e.g., salaries, employee benefits and identifiable supplies. This type of plan may only be used when prior approval is obtained from the County Cost Plans Section, Office of the State Controller.

25-827 A-87 COSTS - PURCHASE OF SERVICES FROM PUBLIC AGENCIES 25-827
(Continued)

A-87 Costs claimed for each fiscal year must equal the total amount on the cost exhibit or the total amount of indirect costs derived from use of the percentage rates described in Items b. and c. above.

Certain grantee departments require a separate identification of specific costs within the Exhibit of Costs. In the case of the welfare department, separate identification is required for the following costs:

- a. Data Processing
 - 1. Amounts direct billed
 - 2. Allocated Costs

- b. Space Costs

All other supportive service costs from the Exhibit of Costs may be included on the claim as a lump-sum figure.

.22 Roll Forward Adjustment

Current year cost plans, ideally are based on actual costs of a prior period. When actual costs for the "current year cost plan" are known, an adjustment will be necessary. The adjustment is effected by a roll forward method and will be necessary for each plan that was based on actual prior period costs or estimated costs. Roll forward computations are illustrated below for each of the cost plan types listed in .21, Items a. through c., using the 1973/74 fiscal year as the "current year" period.

- a. Dollar Amount Cost Exhibit:

	Welfare Administration
Allocated Costs to be used in 1973/74 Plan (Based Upon 1971/72 Actual Costs)	\$129,170
Allocated Costs used in 1971/72 Plan (Based on 1070/71 Actual Costs)	\$119,265
Additional Costs of 1971/72 (actual over 70/71 cost used for 71/72 Rolled Forward on Exhibit of Costs)	\$9,905 *

*Counties must be able to separately identify space costs and EDP costs within this total.

The Exhibit of Costs will contain the costs allocated to the welfare department by the individual Central Service departments, with a separate line entry for the roll forward amount computed. The total allocation to the welfare department is illustrated below.

**COUNTYWIDE COST ALLOCATION PLAN
FISCAL YEAR 1973/74
(BASED UPON 1971/72 ACTUAL COST)**

Allocation From Service Departments	Welfare Administration
Building Services	\$26,511
Purchasing	\$3,238
Personnel	\$15,265
Auditor	\$31,302
Data Processing	\$52,854
TOTAL	\$129,170
Roll Forward Difference Between Above and 1971/72 Plan	\$9,905
TOTAL ALLOCATION	\$139,075

25-827 A-87 COSTS - PURCHASE OF SERVICES FROM PUBLIC AGENCIES 25-827
(Continued)

b. Operating Department External Indirect Cost Rate Adjustment or Consolidated Countywide Indirect Cost Rate Adjustment:

Indirect Cost Rate to be used in 1973/74 based on 1971/72 actual costs (Allocated to Welfare \$129,170 divided by \$713,646 1971/72 departmental budget expenditures). 18.1%

Indirect Cost Rate used in 1971/72 which was based on 1970/71 Actual Costs and applied to 1971/72 actual budget expenditures of \$701,558. 17.0%

Difference between the rate used as an estimate in 1971/72 and actual 1971/72 indirect cost rate (18.1 less 17.0) to be adjusted in 1973/74 (roll forward). 1.1%

Total indirect rate to be used in 1971/72 and applied to 1973/74 departmental budget expenditure (18.1% + 1.1%). 19.2%

.23 Types of Cost Distribution

There are several acceptable methods of distributing costs to benefiting department by service departments. These methods are discussed below:

.231 Interdepartmental service costs which can be readily and accurately identified to a benefiting program or department may be memo or direct billed or charged by expenditure transfer to the benefiting agency, and are, therefore, excluded from the A-87 plan.

a. Memo or direct billings are documents used to notify benefiting departments of the costs incurred in their behalf by a service providing department. Direct billings require an accounting entry to expenditure or fund records, memo billings do not.

b. An expenditure transfer voucher is a document which officially transfers the costs of service from the providing department to the benefiting department expenditures.

Costs handled by either of these methods will be recognized in, but not allocated through the Countywide Cost Plan, nor will they be included in the Exhibit of Costs.

Claiming of these costs by welfare departments will be through the Administrative Expenditures Claim as direct charges to the appropriate activity. Service departments that might use memo billing, direct billing or expenditure transfers are motor pool, communications and data processing.

.232 The nature of some supportive service department operations does not permit the identification and billing of total operating costs to specific activities. In these cases, the allowable residual (the amounts not billed or transferred) is allocated through the cost plan and will be included in the Exhibit of Costs.

.3 Indirect Cost Rate Proposal

An indirect cost rate proposal is a document which sets forth the method by which costs are distributed to programs and/or functions within a county operating department including the costs of services allocated to it by the Central Supportive Services agencies under the Countywide Cost Allocation Plan.

An indirect cost rate proposal must be developed annually by each operating department providing program services to a grantee department if indirect costs are to be included in the charge for the service. A proposal is also required for any central supportive service department that is a grantee department.

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(Continued)

.31 Indirect Cost Rate Proposal Computation and Application

The indirect rate is computed by developing a ratio between total indirect expenses and some direct cost base, such as salaries and wages, and is usually stated as a percentage.

The indirect cost rate developed in the proposal will then be applied to the selected direct cost base for program services to determine the amount of indirect costs allowable.

Following is an example of the application of an indirect cost rate:

The administrative service provided to welfare by the county director of the Human Relations Agency is purchased by the welfare department. The Human Relations Agency has an indirect cost rate of 20 percent of salary.

Human Relations Agency bills Welfare:

Salary of Director (Portion attributable to Welfare)	\$1,000
Employee Benefits (County Rate 15 percent)	\$150
Indirect Cost - 20 percent of Salary	\$200
Total Cost of Service Provided	\$1,350

.4 Indirect Cost Rate Proposal of the County Welfare Department

The Administrative Expenditures Claim developed by DBP for use by all counties has been approved by the Department of Health, Education, and Welfare as the county welfare department's indirect cost rate proposal. Unless other than welfare functions are performed, no additional proposal is required.

.5 Review and Approval

a. The County Cost Plans Section of the Office of the State Controller has the responsibility for the review of all countywide cost allocation plans to assure that:

- (1) Each county has prepared, submitted and certified to the correctness of a plan for each fiscal year.
- (2) Appropriate methods and procedures were used to:
 - a. Determine and segregate allowable and unallowable support services costs.
 - b. Allocate allowable support services costs.
 - c. Compile rates or unit costs used by support service departments to determine amounts direct billed, or cost applied, to other departments.
 - d. Include welfare space costs when the costs are determined by:
 - (1) a two percent use allowance during the period of occupancy.
 - (2) straight line depreciation over the useful life period allowed by Internal Revenue Service Guidelines.

25-827 A-87 COSTS - PURCHASE OF SERVICES FROM PUBLIC AGENCIES 25-827
(Continued)

- b. DBP approval must be obtained for the following items, the costs of which are shown as allocated or billed to welfare in the countywide cost plan:
 - (1) Services purchased for welfare operations, including data processing systems.
 - (2) Welfare professional and management studies.
 - (3) Conformance to welfare building standards.
 - (4) Special agreements between DBP and the county welfare department which are not specifically designated in Circular A-87, OASC-8 as an allowable cost.
- c. When the County Cost Plans Section has acknowledged receipt of a countywide plan or notified the county that the plan has been approved, the cost plan exhibit of costs will be distributed to interested agencies including DHEW and the DBP. The Cost Exhibit may then be used by county welfare departments to determine indirect costs that may be claimed.
- d. Review and approval of an indirect cost rate proposal is the responsibility of the "cognizant" federal agency but there is no requirement to submit the proposal unless requested to do so by that agency. However, a county may submit their proposal and request review and approval.

.6 Claiming Costs of Purchase of Services from Public Agencies

Three types of costs will be allocated or direct billed to the welfare department from other county agencies. These costs are:

- .61 Costs allocated through an A-87 Plan. These costs are included in the Exhibit of Costs (Form DFA 325.1, .3) each county must prepare. These costs should be claimed in Group II Allocable costs other than Casework, Group I, Space or EDP costs allocated through the A-87 Plan should be claimed in Operating Costs, B., 1. or EDP, C., 4.
- .62 Costs direct billed, expenditure transferred, or memo billed that are not allocated through the plan are to be claimed in the appropriate place for the type of expenditure. For example: EDP that is direct billed should be claimed in EDP, Group II C., 5.
- .63 Costs direct billed from an operating agency (D.A., etc.) that benefit a specific program (e.g., AFDC) are to be direct charged in Group III of the Administrative Expenditure Claim. Examples of these costs could include:

District Attorney costs, Probation Department costs for running a shelter home for nondelinquent children, or other county agencies that provide direct program services.

25-828 EDP COSTS

25-828

Electronic Data Processing (EDP) costs require prior authorization from DBP County EDP Systems Bureau, Circular Letter No. 2580 provides the guidelines for submittal of material to DBP.

EDP costs are federally reimbursable at the 75 percent rate for services and the 50 percent rate for eligibility. For a county to be able to claim EDP for 75percent reimbursement, they must be able to verify that their system is a "Social Services History Reporting System," or a system that provides reports on social services that are an integral part of the services operations. In either case, the system must have social services history on each client, indicating the types and frequency of services received. Not only must the systems provide this data, but it must be used by services workers and administration staff. If a county does not have an approved Social Services History Reporting System, the entire cost is charged against the Eligibility function.

For counties having an approved Social Services History Reporting System, the costs are distributed to services and eligibility based on the ratio of the number of cases in service to the number of cases being processed. This would mean that if 25 percent of total income maintenance cases were in service, then 20 percent of the computer activity would be associated with cases in service.

Example: 100 percent of income maintenance cases receive computer support and 25 percent of services cases receive computer support.

Therefore,
$$\frac{(25\%)}{(100\% + 25\%)} = 20 \text{ percent of all computer support is related to services and the remaining 80 percent is related to eligibility.}$$

Similarly, if a county had 100 percent of income maintenance cases in service, the amount of services computer time would be 50 percent. This percentage ratio balances out equitably for counties having various percentages of their total income maintenance cases in service.

EDP costs charged against both Social Services and Eligibility functions are allocated to program using the same basic method. This method allows for costs to be allocated to only those programs which are directly benefited by the EDP. Each county must identify those programs being benefited in order to develop a ratio for distributing these EDP costs. After the ratio is developed, it is multiplied times the casework costs (salaries of workers) in the program being benefited. Once the cost is distributed to program, it is worked through the administrative claim where it ultimately will receive the appropriate reimbursement.

25-829 SPACE COSTS

25-829

Claims for federal and/or state financial participation for space costs incurred by the county welfare department are allowed provided that written authorization is obtained from DBP prior to claiming (see Section 25-829.5).

.1 Types of Space Costs

Space costs include the following:

- a. Building maintenance in public or privately owned buildings.
- b. Rental of privately owned space.
- c. Building alterations and rearrangements.
- d. Building purchase or construction.
- e. Parking facilities.

25-829 SPACE COSTS (Continued)**25-829****.2 Criteria for Determining Reimbursable Space Costs**

The DBP will grant authorization to claim reimbursement for space costs based on the following criteria:

- a. The expenditures for the space are necessary, reasonable, and properly related to the efficient administration of the welfare programs.
- b. The welfare department will receive the benefit of the expenditure during the period of occupancy commensurate with the extent of the cost.
- c. The expenses represent actual costs.
- d. The space provided for administration of the welfare programs is reasonably suitable for this purpose in accordance with standards set forth by MPP Sections 24-001 through 24-051.
- e. All projects for the construction of new facilities, or for the renovation of existing facilities, which are supported by federal grantor loan funds must include provision for making the facilities accessible to and usable by the physically handicapped.
- f. All construction after January 1, 1970, must be preceded by an environmental impact study. This study must be made at the county level and maintained on file in the county.

.3 Definitions

The following definitions are given to clarify some of the terminology used in the area of space costs:

- a. Use Allowance - An annual fixed rate not to exceed two percent of acquisition cost.
- b. Depreciation - An annual fixed rate based on expected useful life as determined by IRS guidelines and generally accepted accounting principles.
- c. Alteration and Improvement Costs - These are costs which:
 1. Materially add to the value of the property or appreciably prolong its life;
 2. Replace an original fixture with a fixture materially greater in value;
 3. Contribute significantly to the cost of the occupancy;
 4. Are classified as a capital expenditure by the "Uniform Accounting Standards and Procedures" and/or Accounting Procedures in use.
- d. Building Maintenance and Services Costs of Rents and Leases - Costs of building maintenance and its immediate area necessary to assure adequate working conditions. Such costs include:
 1. Janitorial services;
 2. Gardening and ground services;
 3. Utilities;
 4. Repairing and decorating which neither materially add to the value of the property nor appreciably prolong its life.
- e. Lease-Purchase or Lease with Option to Purchase Agreements - A lease agreement to occupy space with a provision to acquire ownership by payment of a specified lease agreement price or fair market or depreciated value on a specified date. Reimbursement for purchase price under this agreement is subject to DHEW approval.

25-829 SPACE COSTS (Continued)**25-829****.4 Types of Space Costs Eligible for Reimbursement**

NOTE: The general criteria for claiming financial participation, as listed under each type of the following costs are supplemental to the basic criteria listed in Section 25-829.2.

.41 Rental or Lease of Privately Owned Space

General Criteria:

- a. Cost per square footage (including maintenance, utilities, alterations, taxes, etc.) may not exceed the comparable rate for equivalent space in the locality.
- b. Any subsequent increases in rental cost originally approved, and not specifically stated in the lease or rental agreement, may be allowed on authorization by DBP.
- c. Before claims for month-to-month agreements for short-term occupancy of rental space, due to an emergent situation, can be made, prior authorization from DBP must be obtained.

.42 Alteration and Improvements to Rental or Leased Property

General Criteria:

- a. Financial Participation is only available on an annual depreciated basis. Such depreciation when added to rental and maintenance should not exceed comparable rental costs.
- b. Generally, alterations and improvements may be depreciated over the period of the lease or expected occupancy of space. However, since such periods may be more or less than the life expectancy of the alterations and improvements, the amount of cost which DBP will approve for reimbursement will depend upon the individual circumstances surrounding each request. The two important considerations are:
 1. Cost of alterations and improvements in relation to the expected period of occupancy.
 2. Extent of alterations and improvements which will be of residual value as a long-term improvement to the property.

.43 Construction or Purchase of Building, Including Parking Facilities

General Criteria On or After January 1, 1970:

- a. The amount which may be claimed must be based on a use allowance at an annual rate not to exceed two percent.
- b. The computation shall be based on acquisition cost less cost of land, interest and financing cost, and all portions of costs donated or borne directly or indirectly by Federal and State Governments.
- c. The costs of landscaping beyond the immediate surrounding of the building are not considered proper cost of building.
- d. The costs of construction of sidewalks and seeding and sodding of bare areas constitute proper cost only to the extent that they are necessary to the use of the building.

25-829 SPACE COSTS (Continued)**25-829**

- e. If the building and auxiliary items are to be shared among other county departments, that portion of the building to be occupied by the county welfare department, and a prorated share of space used in common with other tenants, shall be subject to financial participation.

General Criteria Prior to January 1, 1970:

- a. Cost of construction and purchase of building was claimable on a depreciated basis. Where such cost, and the related annual depreciation rate have DBP prior approval, the county welfare department may continue to claim financial participation on a depreciated basis per the terms of the approval.
- b. Cost of land which was considered to be an essential component of a purchase or construction of a permanent county welfare building, was entitled to reimbursement on a depreciated basis. Where such cost and the related annual depreciation rate have DBP prior authorization, the county welfare department may continue to claim reimbursement in accordance with the terms of the approval.

.44 Publicly Owned Space not Previously Occupied by the County Welfare Department

General Criteria On or After January 1, 1970:

Reimbursement is available on a use allowance based on the original acquisition cost less:

- a. Cost of land;
- b. Interest and financing costs; and,
- c. All portions of costs donated or borne directly or indirectly by the State and Federal Government.

Example: In 1965, a county hospital was constructed with federal assistance for \$500,000. The federal share was \$250,000. On December 15, 1969, the hospital was vacated. Because of the expanding county welfare department operation, the entire county welfare department staff was transferred to the vacated hospital facility on January 1, 1970. With DBP authorization, the county welfare department may claim two percent of \$250,000 annually for federal participation for the length of occupancy, (fifty years is the maximum time period allowed by DHEW).

General Criteria Prior to January 1, 1970:

Prior to January 1, 1970, publicly owned space utilized by the county welfare department was allowed on a depreciated basis per DBP approval. Where the depreciated rate has prior DBP approval, the county welfare department may continue to claim reimbursement under the terms of the approval.

.45 Building Alterations and Improvements Excluding Rental Property

General Criteria On or After January 1, 1970:

Reimbursement must be spread over the remaining period of expected occupancy of the building.

General Criteria Prior to January 1, 1970:

Reimbursement was available on a depreciated basis. When such cost and the related annual depreciation rate have DBP prior authorization, the county welfare department may continue to claim reimbursement on the depreciated basis per the terms of the prior authorization.

25-829	SPACE COSTS (Continued)	25-829
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.46 Building Maintenance and Services

General Criteria:

Reimbursement is allowed provided DBP authorization is granted. If applicable to rental or lease, cost may be included in the rental or lease amount or made a separate billing.

.47 Lease - Purchase or Lease with Option to Purchase Agreement

a. Reimbursement is allowable within comparable rental rates, upon prior approval from the Department of Health, Education, and Welfare.

b. When the option to purchase is exercised, the amount of the purchase payment is eligible for financial participation at two percent annually for the period of occupancy.

.5 DBP Authorization

The appropriate forms of the DFA 117 series must be completed by the county welfare department and sent to DBP on any space cost if reimbursement is to be obtained. Form DFA 117 will provide DBP with the required data for determining whether or not approval is appropriate.

The DFA 117 forms required depend on the type of space cost, as indicated below. Form DFA 117, however, is required of all space costs. The forms in the series include:

DFA 117 - "Notice of Intent to Claim Participation in Space Cost"

DFA 117A - "Request to Claim Alteration and Improvement to County Owned Building"

DFA 117B - "Request to Claim Cost of Building Construction or Purchase"

DFA 117C - "Request to Claim Alteration and Improvement Costs to Private Rental Property"

DFA 117D - "Request to Claim Costs of Maintenance and Services"

The instructions for completing these forms are self-explanatory (for form samples see Chapter 25-600).

Upon receipt of the county's DFA 117s, a project identification number will be assigned by DBP staff to each new project in order to provide a means of coordinating all related correspondence between the counties and state. In requesting information concerning any specific project, the project identification number should be stated. This number will appear on all the DFA series forms.

Upon completing the analysis of the applicable DFA 117 documents, DBP will either grant authorization or notify the county welfare department of problems preventing approval. A letter of authorization, will be issued as soon as all the criteria for obtaining reimbursement for space costs are met and approved.

On-site inspection of welfare space will be performed by the state auditors on a periodic basis. The required supportive material will be made available for audit purposes at the request of the auditor.

25-830 MANAGEMENT STUDIES AND PROFESSIONAL SERVICES**25-830****.1 Definitions**

A management study for a welfare department is a review and analysis of the established operating system as related to the organization as a whole, a single system or a specific program. The study is to determine if the county's operations is achieving its intended purpose in an effective and efficient manner and to provide constructive criticism and/or recommendations such as improved methods and procedures, reorganization, and management reports and controls.

Professional services, within the scope of A-87, are those services requiring specialized skills, rendered to a county welfare department. In many instances the services will implement recommendations derived through a management study (i.e., the development of a new quality control program by a management consultant firm).

.2 Duplicate Management Studies

When a proposed study appears to duplicate an already completed study, the burden of proof that the new study is not duplicative (or is necessary in any case) is upon the county requesting approval. If such proof is not sufficient, federal and state participation will not be allowed in the cost.

.3 Planning

If requested, state staff will help the county plan the study or service. By contacting state staff in advance of the commitment of funds, the county can avoid the problems associated with duplicate management studies and can be made aware of when state or federal staff may be available to perform a study or service. For assistance during the planning stages the county should contact the appropriate approval unit (see .5).

.4 Reimbursement

A county desiring federal reimbursement for management studies or professional services within the scope of A-87 must submit its planned proposal for approval prior to negotiating an agreement. Any claims for the costs of studies and/or services which have not been approved will not be allowed. Approval for management studies will be dependent upon the county's planned proposal meeting all the following criteria: (In the case of professional services, only criteria a, b, and c must be met.)

- a. Clearly demonstrate that a management problem exists and that it is specifically a welfare problem.
- b. Explain why a private agency is better able to perform the study than county staff.
- c. State the benefits the county hopes to achieve through the study or services.
- d. Use a competitive bid process in the selection of the contracting firm or explain why a particular bid was accepted. Consideration should be given to the appropriateness of the fee and the competency of the firm in the area of management analysis.
- e. Send four copies of all reports prepared in connection with the study or services to the approving unit, and assure that DBP and DHEW will be included on the report distribution list and that the reports will be available to other state, federal and county agencies upon request.
- f. Assure that the recommendations of the study will be evaluated by the county upon completion of the study. If such recommendations are not implemented, the county must report the reasons for not implementing to the approving unit.

25-830 MANAGEMENT STUDIES AND PROFESSIONAL SERVICES (Continued) 25-830

.5 Authorization

Requests for approval should be sent to the following:

- a. If the study or service is oriented totally to the eligibility and grant maintenance system, send requests to:

Contracts Management Section
Department of Benefit Payments
744 P Street
Sacramento, CA 95814

- b. If the study or service is oriented totally to the social services system, send requests to:

Services Resources Control Unit
State Department of Health
744 P Street
Sacramento, CA 95814

- c. If the study or service is oriented to a combination of eligibility and grant maintenance and the social services system, or if you are not sure send requests to both units given in a. and b. above. Joint approval or disapproval will be issued from these units.

25-831 ADULT HOMEMAKER/CHORE SERVICES 25-831

If a county plans to operate an Adult Homemaker/Chore Services Program, whether county operated or a purchase of service, they must first receive approval in accordance with MPP Section 30-500 through 30-550.

25-832 EXPENSES INCURRED PRIOR TO JULY 1, 1972 25-832

A separate Administrative Expenditures Claim for costs prior to fiscal year 72/73 which affect the following is required for federal and/or state reimbursement:

1. Eligibility and Grant Determination for Public Assistance.
2. Child Protective Services.
3. Adult Homemaker/Chore Services.
4. Adoptions.

The reasons for a separate claim are (1) State sharing for Eligibility and Grant Determination costs in the Public Assistance programs was effective July 1, 1972. Such costs incurred prior to July 1, 1972, are not entitled to state sharing. (2) Federal and/or state sharing for the items mentioned above are subject to an annual closed-end allocation. As such, funds are only available for costs incurred relative to the year in which the allocation applies.

These expenditures must be claimed on the Administrative Expenditures Claim format as it existed on the revision date of January 1972. The time study to be used is the April 1972 time study. The amount of salaries to be used for allocable eligibility and allocable services (by program) for these claims will be those amounts that exist on the April-June 1972 claim. There is federal and state reimbursement available provided conditions outlined in Section 25-815 are met.

25-833 PURCHASE OF SOCIAL SERVICES
25-833

Purchase of Social Services are eligible for financial participation provided, the Services criteria in MPP Section 10-034, "Use of Public and Private Agencies and Individuals," and the fiscal criteria included within this section are met:

Sources of Purchase of Social Services:

- a. State or local public agencies;
- b. Private, nonprofit agencies or organizations;
- c. Private, profit-making firms;
- d. Individuals.

.1 General Fiscal Criteria Applicable to All Purchases of Social Services

.11 Rates of Payment

Rates of Payment must be established in accordance with MPP Section 10-034.8.

.12 Donated Funds

Donated private funds for social services may be considered as the county's matching share for federal financial participation provided that such funds are:

- a. Transferred to the county and under its control; and
- b. Donated on an unrestricted basis except that funds donated to support a particular kind of activity, e.g., homemaker services, or to support a particular kind of activity in a named community are acceptable.
- c. Not donated by an originator who is the sponsor or operator of the activity being funded.
- d. Not contributed funds which revert to the donor's facility or use.
- e. Not earmarked for a particular individual or for members of a particular organization.

.13 Federal Funds May Not Be Used to Match Other Federal Funds

Federal funds available under titles other than public assistance titles may not be used to earn federal funds under the public assistance titles. The present exceptions are Model Cities funds and with prior HEW approval other funds from HUD.

.14 Expansion of Social Services

The addition of federal social services funds to funds of another public agency must result in a commensurate, significant program expansion demonstrated by an increase in the number of eligible persons served, by the addition of new services to eligible persons, or a combination of both.

.15 In-Kind Matching

In-kind contributions from private agencies, organizations or individuals cannot be used to earn federal funds.

In-kind contributions from another state or local public agency are, in reality, expenditures of public funds. The expenditures are matchable for federal financial participation through the principles of A-87.

.16 Office of Management and Budget Circular A-87 (retitled Federal Management Circular 74-4)

The costs used in determining the rate of payment for purchase of services from public institutions and/or private, nonprofit institutions must be in compliance with the cost principles and procedures of A-87.

The specific guide material pertinent to A-87 to be used is:

OASC-5 Guide for Nonprofit Organization

OASC-8 Guide for Local County Government (see Section 25-827).

25-834 RETURNING RUNAWAY CHILDREN 25-834

The cost of returning nondelinquent runaway children to their homes is subject to federal reimbursement. If the runaway child is on AFDC, or is a former or potential AFDC recipient, there is 75 percent reimbursement from AFDC funds. If the child is nonaided and nonlinked, there is 75 percent reimbursement from CPS funds. If the child does not meet the requirements for AFDC or CPS, he must be classified as GR or OCOP which are funded by the county. To claim reimbursement for costs of returning nondelinquent runaway children, report the expense under Group III A-2, Operating Costs, or A-3, Purchases of Services, depending on whether the welfare department or another department such as Probation incurs the actual costs. There is no federal reimbursement in the cost of returning delinquent (W&I Code 601, 602) children.

25-835 EMERGENCY SHELTER HOME

25-835

The cost of maintaining an emergency shelter home is reimbursable from federal funds, provided the conditions set forth in MPP Section 60-104.7 are met. If a retainer fee is paid to a home or homes for keeping a bed(s) available, then this is reimbursable at the 75 percent rate (charge to AFDC) and should be included in Group III, A, 3, on the Administrative Expenditure Claim. An emergency shelter home may be operated by the county or purchased from a public or private agency. If W&I Code 601, 602 children are placed in the same emergency shelter facility as dependent children, then there is no federal reimbursement for any costs of operating the facility. The procedure for determining costs of a shelter home are as follows:

- a. Personal services costs of social workers who work full time at the shelter home should be divided between AFDC, CPS, and GR or OCOP based upon the status of children when they enter the home.

Example: Upon entering the home, the status of the children was:

70 AFDC	=	70 percent	AFDC	These percentages should be multiplied
25 CPS	=	25 percent	CPS	by the total salaries and employee benefits
5 GR/OCOP	=	5 percent	GR/OCOP	of the workers who work full time at the
				shelter home.

If social workers located in the welfare department go out to the shelter home to provide services as contrasted with social workers who are permanently located within the shelter home, then they are on a time study basis and are handled accordingly.

- b. Operating costs of a shelter home, run by (or purchased by) the welfare department are to be determined by an occupancy rate. These costs are subject to the 14 calendar day limitation within a ninety-day period. The occupancy rate is determined as follows:

Calculate the total days spent in the shelter home by all AFDC, CPS, and GR or OCOP children. Then, determine the number of days for each category, separated into allowable and nonallowable.

(1)		Allowable <u>Days</u>	Non-allowable Days (Days exceeding <u>14-day limitation</u>)	
	AFDC	600	100 - exceeding 14-day limit	
	CPS	200	50 - exceeding 14-day limit	
	GR/OCOP		50 - GR or OCOP children - return within 90 days	
		800	200	

Total day equals 1,000

- (2) Compute ratios for AFDC, CPS, and GR/OCOP by dividing total days into allowable days.

AFDC	=	600/1,000 = .60000
CPS	=	200/1,000 = .20000
GR/OCOP	=	200/1,000 = .20000

Thus, claimable operating costs can be determined and claimed as follows:

- (3) Apply ratio to total operating cost. Assume operating cost is \$8,000:

AFDC	=	\$8,000 x .60000 = \$4,800
CPS	=	\$8,000 x .20000 = \$1,600
GR	=	\$8,000 x .20000 = \$1,600

The above operating costs should be claimed on the DFA 325 - Group III A-2-Social Services Operating Costs on the Administrative Expenditures Claim. If this service is purchased from another agency, the costs should be arrived at in the same manner, and claimed under Group III A-3.

25-836 DISTRICT ATTORNEY COSTS

25-836

Recently adopted revisions to Part 220 of Title 45 of the Code of Federal Regulations have broadened the basis for claiming federal matching funds for welfare-related child support activities undertaken by law enforcement officials. It is the purpose of this section to provide guidelines for the claiming of those matching funds.

Previously, only that portion of direct professional and clerical activity which represented an "increased effort" of welfare-related child support activity over a base period was federally reimbursable. With the adoption of the amended Federal Regulations all costs, both direct and indirect, are now reimbursable for welfare-related child support activities.

In order to qualify for federal reimbursement, it is necessary to have in effect a Plan of Cooperation between the welfare department and district attorney, which operates as a purchase of services contract. After the Plan of Cooperation is executed, it may be submitted to the Department of Benefit Payments, Attention: Child Support Coordinator, for review and approval. A copy of all approved Plans of Cooperation will be retained in the files of the Department. Whenever the plan is amended or revised, the amended version must be submitted for approval.

.1 Reimbursable Activities

Personnel whose activities may qualify for reimbursement are those engaged in investigation, prosecution, corrections, probation, activities as "friends of the court" and their supportive and administrative staffs. (As to prosecution staff, district attorneys do not qualify for reimbursement in a supportive role, but do when actually engaged in casework.)

Federal reimbursement at 50 percent and state reimbursement at 25 percent is available for the costs of the following activities undertaken by Family Support Units and Domestic Relations Divisions administered by district attorney's offices, as they relate to the AFDC program:

.11 Determination of Paternity

Activities that are undertaken by a law enforcement agency to help determine paternity in order to meet AFDC eligibility requirements, as specified in MPP Section 30-217.

The actual costs of blood tests and polygraph tests to establish paternity in such cases are reimbursable.

.12 Location of Absent Parents

Activities that are undertaken by a law enforcement agency to locate absent parents in order to secure or enforce support or determine paternity.

.13 URESA Activities

Activities required by the Uniform Reciprocal Enforcement of Support Act (URESAs), (see Code of Civil Procedures, Section 1650 et. seq.) which are undertaken with respect to AFDC applicant or recipient children are reimbursable.

.14 Enforcement Activities

- a. Activities undertaken to develop evidence for civil or criminal support proceedings.
- b. Conducting or obtaining pre-trial depositions when necessary.
- c. Presentation of support or paternity actions to courts including witness fees.
- d. Collection activities pursuant to court orders or voluntary agreements including the receipt of and accounting for payments.
- e. Court fees in paternity or support proceedings when they are not waived.
- f. Investigation and prosecution of fraud related to child support.
- g. Obtaining and enforcing voluntary agreements, settlements, or confessions of judgment for support, including wage assignments and other forms of property transfers.

25-836 DISTRICT ATTORNEY COSTS (Continued) 25-836

.15 Other Activities

- a. Activities of law enforcement agencies, probation departments, and the Central Registry of Absent Parents undertaken pursuant to the approved Plan of Cooperation.
- b. Electronic Data Processing undertaken pursuant to the approved Plan of Cooperation; a plan for the use of EDP must be approved by DHEW before such costs are eligible for federal and state reimbursement. Guidelines for submittal of the plan may be obtained from DBP, County EDP Systems. After the completed plan is submitted for their review and approval, it will be forwarded to DHEW for final approval.
- c. Service of process fees and court filing fees only if the law enforcement agency would normally be required to pay such costs.

.16 Staff Training Costs

The cost of reasonable and essential training of law enforcement staff assigned either full-time or part-time to AFDC paternity/support activities in subjects unique to that functional area are reimbursable at the same rate of 50 percent federal funds and 25 percent state funds. This would include costs of travel, per diem and conferences fees (e.g., child support related conferences) but would not include staff time for attendance (reimbursable as a normal staff cost).

.2 Nonreimbursable Costs

No reimbursement from federal or state matching funds is available to any law enforcement agency or court for the following costs:

- a. The ordinary administrative cost of the judiciary system, (this includes county clerks).
- b. Costs related to child support activities in nonwelfare-related cases.
- c. Arrest and apprehension activities such as taking into custody and booking.

.3 Methods of Determining Costs

.31 Direct Costs

Direct costs are those costs directly connected with the orderly administration of the Family Support Unit, and include salaries and employee benefits of Time Study Personnel as well as any of the following costs that the county directly identify to the Family Support Unit:

- a. Second-line Supervisors and above.
- b. Secretarial and Clerical support.
- c. Travel.
- d. Supplies.
- e. Utilities.
- f. Space.
- g. Equipment.
- h. Other operating costs directly identifiable to the Family Support Unit.

The main consideration in identifying a cost as direct or indirect is that it must be treated consistently. It must be considered either direct or indirect, but not both. If equipment is to be claimed as a reimbursable cost, the guidelines as set forth by the Internal Revenue Service for depreciable equipment must be followed.

It should be noted that these types of costs are to be claimed in the same manner as salaries and employee benefits. (e.g., only that percentage that is welfare-related based on Time Study Personnel.) If the county does not have the ability to directly identify these costs directly they may be included in the Indirect Cost Rate Proposal (ICRP) developed for the Family Support Unit. Regardless of which method the county selects, the county must submit the Direct Cost Plan to DBP for approval prior to claiming.

In order to claim federal reimbursement for welfare-related child support activity, two methods are recommended for determining direct costs. Either method may be used to document the amount of welfare-related activity and the corresponding costs to the Family Support Unit.

25-836 DISTRICT ATTORNEY COSTS (Continued)**25-836**

The alternate methods of determining direct costs are:

- .311 The Time Study Method
- .3111 Statistical Documentation

The use of the time study method requires compilation of data in the following two categories:

1) Annual Time Study Reports

The Family Support Unit is required to time study its personnel a minimum of once every 12 months to document its claim for federal reimbursement for welfare-related child support activity. Form DFA 400 is used for this purpose (see Chapter 25-600).

a) Time Study Personnel

Annual time studies must be conducted for all investigators, interviewers and first-line supervisors. This should include staff who are involved in the function of determining paternity, locating absent parents, and establishing child support obligations; or those persons who are involved in nonreimbursable functions in addition to their child support functions (e.g., investigators who handle both child support and fraud activities). It should be noted that a county may time study above the first level of supervision, but it is not mandatory.

Time studies should accurately document the various types of duties performed. Particular emphasis must be placed on separating the staff time spent on reimbursable welfare-related activity from the staff time spent on nonwelfare activity or nonreimbursable activity. The annual time study is a minimum requirement. If large fluctuations in welfare or nonwelfare activity take place, counties should time study more frequently.

b) Clerical Staff Involved in Collection Activity

Time studies are not normally feasible for clerical personnel involved in processing the actual child support payments. Reimbursement for these positions should be claimed at the same percentage as Time Study Personnel, as long as they bear the same relationship to Time Study Personnel.

2) Salaries and Employee Benefits

The Family Support Unit must maintain records of the total amount of salaries and employee benefits actually paid to employees of that unit each month.

Employee benefits normally include but are not limited to the following:

- a) Retirement contributions.
- b) Medical insurance contributions.
- c) Workmen's Compensation contribution.
- d) Social Security contributions (if provided by the county in addition to the employee share).

25-836 DISTRICT ATTORNEY COSTS (Continued)

25-836

.3112 Method of Computation

The percentage of welfare-related support activity, as determined by the time studies, must be applied to the total amount of monthly salary and employee benefits and other direct costs (e.g., space, equipment, etc.) being claimed. This determines the total reimbursable amount of direct costs that may be claimed.

After the indirect costs of the district attorney's office have been determined by developing an "Indirect Cost Rate Proposal," a ratio or percentage will be obtained. This percentage (representing the ratio of total indirect costs to total direct costs) is then multiplied by the reimbursable direct cost figure in order to determine the reimbursable indirect costs.

These indirect overhead costs are then added to the reimbursable direct costs to arrive at the total reimbursable expenditures of law enforcement agency.

.312 The Caseload Method

.3121 Statistical Documentation

The caseload method of computation is based on statistical data compiled from the following two categories:

1) Caseload reports

The law enforcement agency must maintain either monthly or quarterly statistical reports on the total number of cases processed within that month or quarter. "Processed" is defined as any activity on a case directed toward establishing paternity or obtaining child support. This would include location activity, enforcement activity, receiving support payments or evaluating new and existing cases. Cases where no support is received and no action has been taken by the agency are inactive - and therefore not "processed."

a) Welfare-related cases

The statistical reports must identify the total number of welfare-related cases that have been processed during the month. "Welfare-related" is defined as a case where an application for welfare benefits is pending or where welfare benefits are being received. A case referred by the local welfare agency after an application for aid has been received is welfare-related until such time as the application is denied. "Case" is defined as a custodial parent, legal guardian of the child, or the agency seeking child support and not the absent parent from whom support is sought.

b) Nonwelfare cases

The total number of nonwelfare cases processed during the month must also be identified.

2) Direct costs of salaries and employee benefits

The law enforcement agency must maintain statistical records of the total amount of salaries and employee benefits actually paid to employees working in the Family Support Unit each month or quarter.

Employee benefits are the same as defined under The Time Study Method.

25-836 DISTRICT ATTORNEY COSTS (Continued)**25-836**

.3122 Method of Computation

The following caseload method of computation may be used to determine the total amount of direct and indirect costs incurred by the law enforcement agency in performing child support activities in welfare-related cases:

- 1) Total cases processed
Determine the total number of welfare and nonwelfare cases processed during the monthly or quarterly claiming period.
- 2) Total direct and indirect costs
Determine the total costs (other than direct-billed welfare items) in the current claiming period.
- 3) Total cost-per-case
Determine the average cost-per-case for all welfare-related and nonwelfare cases. Divide the total direct and indirect costs (Item 2) by the total number of cases processed (Item 1) to obtain the individual cost-per-case.
- 4) Total welfare cases
Determine the total number of welfare-related cases processed during the current claiming period.
- 5) Total nonwelfare cases
Determine the total number of nonwelfare cases processed during the current claiming period. The total of Items 4 and 5 must equal the total cases processed (Item 1).
- 6) Subtotal welfare-related case costs
Determine the total welfare-related case costs. Multiply the total welfare cases (Item 4) by the total cost-per-case (Item 3) to obtain the total welfare-related case costs.
- 7) Add direct-billed items.
- 8) Total reimbursable costs.

EXAMPLE:

ITEM	QUARTERLY TOTALS (January 1 - March 31, 19)
(1) Total Cases Processed	3,055
(2) Total Direct and Indirect Costs	\$ 326,717.58
(3) Total Cost-per-case ($\$326,717.58 - 3,055$)	\$ 106.95
(4) Total Welfare Cases	1,875.00
(5) Total Nonwelfare Cases	1,180.00
(6) Subtotal Welfare-related Case Costs ($1,875 \times \$106.95$)	\$ 200,531.25
(7) Add Direct Billed Items (Welfare-related Cases only for blood tests, polygraph, etc.)	200.00
(8) Total Reimbursable Costs	\$ 200,731.25

.32 Indirect Costs

Indirect costs are those not readily identifiable with a certain program but which are incurred for the benefit of more than one program.

The indirect costs within the district attorney's office are normally combined with the indirect costs allocated to the district attorney via the countywide cost allocation plan for allocation to the Family Support Unit.

25-836	DISTRICT ATTORNEY COSTS (Continued)	25-836
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The district attorney or county auditor must develop annually a plan for determining the indirect costs attributable to the Family Support Unit. A single rate may be developed to simplify the method of distribution. This involved three steps:

- a. Adjust total costs, including federally sponsored activity costs, by eliminating costs that are unallowable by definition.
- b. Classify the remaining costs as direct or indirect.
- c. Compute the indirect cost rate by dividing total indirect costs by total direct costs.

All of the above comply with the guidelines set forth in manual OASC-8. Each county must develop their Indirect Cost Rate Proposal (ICRP) in accordance with OASC-8. It should be noted that the method shown above is simplified. To obtain a thorough understanding of ICRPs, refer to OASC-8.

Those district attorneys who wish a review of their ICRP may send it to the Federal Law Enforcement Assistance Administration (LEAA), 1860 El Camino Real, Burlingame, California 94010. After LEAA has reviewed and commented on the district attorney's ICRP, it will be returned. A copy of the district attorney's ICRP should be forwarded to the Department of Benefit Payments, Financial Planning. Although it is not mandatory to submit these plans to LEAA, the county is required to retain them as documentation for the costs claimed. The cost plans are subject to inspection by representatives of LEAA or the California Office of Criminal Justice Planning.

25-837	FINGERPRINT COSTS	25-837
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The fee charged each applicant for a child placement license to cover the cost of having their fingerprints processed through the State Department of Justice is not to be abated on the Administrative Expenditures Claim. If the county does not charge the applicants the fee and incurs the expenditure themselves, they cannot claim any federal or state reimbursement for this expenditure. The expenditure is to be listed as an Extraneous Cost, Group VI on the Administrative Expenditures Claim.

25-838	FOOD STAMP ISSUANCE COSTS	25-838
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Food Stamp issuance costs include: bank charges, salary and employee benefits of anyone issuing food stamps over-the-counter, and postage and stuffing time if food stamps are mailed separately from warrants. A time study should be taken once per quarter to determine what portion of one's time is spent on issuing stamps. The percentage of time spent on issuing should determine the percent of one's salary to be charged to this function. These time studies should not be included for purposes of time study ratios, but should be used to determine what percent of one's salary should be charged to issuance costs. The remaining portion of one's salary should be grouped with whatever other function the individual is performing. Time spent on initial reconciliation of food stamps is charged to Food Stamp Issuance Costs and should be done in the same manner as example above. If a burglar alarm or separate bank vault is purchased or rented, this would also be a Food Stamp Issuance Cost. Food Stamp Issuance Costs are to be charged to the Food Stamp Program in Group III, B-2 on the Administrative Expenditures Claim.

**25-840 WORKMEN'S COMPENSATION INSURANCE COSTS FOR PARTICIPANTS 25-840
IN EDUCATIONAL AND TRAINING SERVICES (ETS)****.1 Method of Claiming**

Public assistance recipients enrolled in on-the-job training programs may be covered by a blanket compensation insurance policy provided through and administered by the DBP or by comparable insurance protection.

- a. For those counties providing their own compensation insurance coverage, claiming is made on the DFA 325.1 under Group III, A-2.
- b. No claim should be made by counties participating in the State's blanket policy.

.12 Procedure for Joining DBP Blanket SCIF Workmen's Compensation Insurance

There is a State Plan under which those local agencies now providing their own compensation insurance coverage may be included in the state plan by taking the following action:

- a. The user agency must send a letter to the DBP Accounting stating that "we wish to be included as ETS participants under the State's Blanket Workmen's Compensation Insurance Fund Policy Number 107083."
- b. Upon receipt of this letter, DBP will notify the SCIF who will add the new agency to the list of agencies covered under the policy.
- c. DBP will notify the county welfare department and the user agency that the request in step No. 2 above has been made to SCIF.
- d. SCIF will forward a "Certificate of Coverage" to the user agency confirming the coverage under the blanket policy.

.2 Records to be Maintained by the Agency

Form CA 332, or its equivalent, must be used to keep the time of recipients assigned to work training projects. This form will serve three functions:

- a. Fulfill basic federal reporting requirements.
- b. Aid in fulfilling DBP Accounting Bureau requirements.
- c. Provide audit information required by State Compensation Insurance Fund.

.3 Monthly Reporting

The "Monthly Work Experience-Training Report," Form DFA 313, must be completed by all counties who are insured by the State's blanket compensation policy. The list or number of participants, the wage hour credits, the hourly rate credit and the total wage credits will need to be recorded to receive proper insurance coverage for the recipients. If not reported, the recipient may not be covered under the policy. Figures must be accurate and fully supported by time cards, Form CA 332 or its equivalent.

Form DFA 313 must be sent to DBP Accounting Bureau, 744 P Street, Sacramento CA 95814, on a monthly basis for compilation and payment of the premium by DBP in order for the county to retain coverage. The report is due in the DBP Accounting Bureau by the 20th of the month following the report month.

**25-840 WORKMEN'S COMPENSATION INSURANCE COSTS FOR PARTICIPANTS 25-840
IN EDUCATIONAL AND TRAINING SERVICES (ETS) (Continued)****.4 Cost Allocation**

The premium on the blanket policy is based upon the monetary value of the monthly total wage credits. No provision should be made to reduce the established hourly wage credit or the total wage credits to represent deductions from a regular employee's wages (e.g., income tax, F.I.C.A., retirement, etc.).

Insurance premiums are computed at the established rate per each hundred dollars of "wage credits earned" for the month plus administrative costs of DBP allocated to each participating county on the basis of "total wage credits earned." If a county is late in its reporting (Form DFA 313), an estimate will be used and a greater portion of the administrative costs will be applied to that county to compensate for the extra work involved.

There is 75 percent federal reimbursement in the cost of Workmen's Compensation Insurance. The nonfederal share (25 percent) of Workmen's Compensation Insurance will be deducted from the counties' administrative advance.

Form AA 228, sent to each participating county on a monthly basis, shows the county's prorata share of the compensation insurance costs. Each county will need to make the necessary adjustment of transferring county monies to the administrative trust fund in the same amount as shown on Form AA 228.

The first and second months' charges shown on Form AA 228 are based on estimates. Therefore, the monthly figure submitted to each county is based on actual cost of the second preceding month. For example, the cost for May is based on the actual cost for March. Adjustments which affect the insurance costs will appear on this form. At the end of the fiscal year, the participating counties will be furnished a statement of amounts estimated, actual charges, and the adjustments to be made on subsequent advance of funds.

.5 Extraneous Costs

The cost of materials, space, equipment, and supervision provided by the sponsoring agency in community work and training programs may not be charged as an administrative expenditure by the county.

.6 Injury Claims

Injuries sustained by participants should be reported immediately and directly to the State Compensation Insurance Fund by the county and not by the agency to which a participant is assigned. The Fund provides special reporting forms and instructions for counties participating in the blanket policy. DBP does not require copies of the claim forms.

The injured participant received the same services as those designated for county employees under the county's individual compensation policy. The workman's compensation "wage loss" payments are made to the recipient and sent to the county welfare department. Payments will be treated as income to the family in the month received, under applicable regulations. Any balance over the aid paid will be given to the recipient.

25-841 COSTS OF SPECIAL PROJECTS (W&IC SECTIONS 18200 THROUGH 18204 AND 10609) 25-841

In order that the maximum reimbursement available be provided to county agencies for costs of special projects, claims for reimbursement of such costs and the reporting of expenditures will be made in the following manner:

All costs related to the project will be reported to DBP on Form GEN 215, Claim for Reimbursement (in quadruplicate), and will be segregated into classes specified on the form. Separate claims must be made for each project. Project costs for the period of the claim will be reported in Column A of Form GEN 215. Amounts of reimbursement from project funds covering expenditures specified in the "Notification of Allocation of Project Funds" will be claimed in Column C of Form GEN 215. Projects not reimbursable from project funds will be reported in Column B. The amounts in Column B are equal to Column A minus Column C.

Project costs not reimbursable from project funds (listed on project budget as "Funds to be Supplied by Applicant Agency") will be included in the regular Administrative Expenditures Claim and will be subject to federal and/or state reimbursement in the same manner as other administrative expenditures of county welfare departments.

Records identifying costs claimed shall be maintained on file in the county until notification of completion of audits for the applicable period is received from the DBP.

25-842 ORGANIZATIONAL COSTING**25-842**

Each year the Department of Health, Education, and Welfare (DHEW) requires the Department of Benefits Payments (DBP) to submit information regarding administrative expenditures. To accomplish this, DBP requires input from the county welfare departments. This input is obtained through the annual organization costing requirements, which is a county estimate of the total amount of dollars each county expects to spend during the fiscal year for administrative expenditures.

The required data must be submitted by all counties on an annual basis. Counties will be notified of the submittal date by DBP, Financial Planning Bureau. Three copies of the data must be submitted to DBP. Each submittal will cover estimated administrative expenditures for a fiscal year. If a county has a final or a proposed budget, either may be used for computing the estimate of federal dollars. Any costs that might not be included within a county budget such as A-87 costs or amortization of buildings should be included within the appropriate cost pools for this submittal.

Each county must complete an organization chart for the purpose of costing each unit to determine the amount of federal dollars that a county estimates they will need. The organization chart will be broken down into five main units: (1) Allocable Social Services, (2) Allocable Eligibility, (3) Administrative and Other Support, (4) Staff Development, and (5) Separate Administrative Unit (SAU). Each one of these units must have a description of the functions or activities which it performs, and also which programs (including all county-only programs) the unit serves.

In order to estimate administrative expenditures to program, time study ratios must be used. For each year the most recent time study prior to submittal date should be used.

Also included within the costing requirements is a listing of all purchase of social services contracts. This listing must be completed for each purchase of social services contract (excluding contracts with individuals). The form DFA 383 (see Chapter 25-600) lists the information that will be needed for this requirement.

As requirements may vary from year to year, counties will be notified by DBP on a yearly basis of any other date required for that year.