

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064

Reason for this Transmittal

- State Law or Regulation Change
- Federal Law or Regulation Change
- Court Order or Settlement Change
- Clarification requested by One or More Counties
- Initiated by DCSS

December 12, 2000

CSS LETTER: 00-11

TO: ALL IV-D DIRECTORS  
ALL DISTRICT ATTORNEYS  
ALL COUNT ADMINISTRATIVE OFFICERS

SUBJECT: PRIOR FEDERAL APPROVAL FOR ELECTRONIC DATA PROCESSING  
CONTRACTS EXCEEDING \$100,000

REF: 45 CFR 95.611

The purpose of this letter is to remind counties about State and federal contract approval regulations for Electronic Data Processing (EDP) contracts. Per federal regulation 45 CFR 95.611(b)(2)(iii), EDP contracts for child support in excess of \$100,000 must be submitted for **prior** federal approval to the Administration for Children and Families (ACF) before execution. Additionally, 45 CFR 95.611(2)(iv) states that contract amendments also need prior federal approval if a contract cost increase exceeds the \$100,000 threshold and/or the contract time extension is more than 60 days. The counties should note that ACF interprets these contract requirements to include purchase orders and lease agreements. **Therefore, all counties must submit proposed EDP contracts and contract amendments to the State that meet the above stated criteria. In turn, the State will forward the contracts to ACF for approval.**

The federal government requires 60 days to review contracts and contract amendments, and to provide written response to the State. In addition, the State requires 30 days to review contracts and contract amendments prior to being forwarded to the federal government. The federal financial participation (FFP) for costs of the contract will be from the date of the ACF approval letter, so proposed contracts must be submitted to the State in a timely manner. The ACF will not allow retroactive approvals of contracts or contract amendments.

**Failure to submit the contracts in excess of \$100,000 may result in "disapproval or suspension of project funding," [45 CFR 95.611 (b)(3)]. This would result in the county being responsible for the lost FFP from their County General Fund for the period of time that federal approval was not in place.**

To submit EDP contracts for prior approval, please mail to: Department of Child Support Services, Technology Services Division, Attention: Automation Approvals Unit, M/S 40, P. O. Box 419064, Rancho Cordova, CA, 95741-9064.

If you have any questions, please contact Cathy MacRae at (916) 464-5359, or Julie Arico at (916) 464-5357.

Sincerely,

CHERYL HOTALING  
Deputy Director  
Technology Services Division