

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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

Reason for this Transmittal

February 9, 2005

CSS LETTER: 05-05

ALL IV-D DIRECTORS
 ALL COUNTY ADMINISTRATIVE OFFICERS
 ALL BOARDS OF SUPERVISORS

SUBJECT: CLARIFICATION OF NON-ELECTRONIC DATA PROCESSING
 AUTOMATION REQUESTS AND COST THRESHOLD FOR EQUIPMENT
 INVENTORIES

REFERENCE: CSS LETTER: 04-20

- 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

This letter is to provide local child support agencies (LCSA) with direction regarding instructions contained in CSS Letter 04-20 in the areas of cost thresholds for equipment inventories and Non-Electronic Data Processing (Non-EDP) automation requests. CSS Letter 04-20 directs LCSAs to record into a property ledger, tag and inventory all property with a useful life of more than one year and an acquisition cost of \$500 or more per unit. Further, it instructs LCSAs to request prior approval from the Department of Child Support Services (DCSS) to purchase any hardware, software and information technology (IT) contractor services for administrative activities with Non-EDP administrative funds. This letter would modify those instructions under certain circumstances as discussed below.

Property Ledger, Tagging and Inventory of Acquired Equipment

At a recent Child Support Director's Association Finance Committee meeting, members reported that the \$500 threshold for tagging and inventorying property is lower than the thresholds contained in current policy in several LCSAs. In addition, concern was expressed that given the current fiscal environment, those LCSAs would not have adequate funding to accomplish the anticipated additional workload that would result.

In an effort to recognize fiscal constraints at the local level, DCSS will accept a threshold of up to \$5,000 only in those LCSAs where such a threshold is currently the county policy and if adhering to a \$500 threshold would cause a financial difficulty. Otherwise, the \$500 threshold must be utilized. As applicable, the \$5,000 threshold does not exempt LCSAs from having a process in place to account for all equipment, including minor sensitive equipment, to ensure proper use and safeguard against theft. In all LCSAs, effective control and accountability must be maintained for all property.

Prior Approval For Non-EDP Automation Items

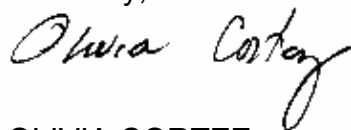
As stated in CSS Letter 04-20, as the State of California moves closer to implementation of the single statewide Child Support Enforcement (CSE) system, it is imperative that DCSS be aware of all automation products and services planned for purchase by the LCSAs whether the LCSAs utilize Non-EDP administrative funds or electronic data processing maintenance and operations funds. Prior to conversion to the new CSE system, DCSS must be aware of what hardware, software, and system requirements reside in the LCSAs in order to make informed decisions about what products/services will be converted or must be replaced as we convert to the new CSE system. In order to keep replacement costs to a minimum, DCSS is requiring LCSAs to obtain prior approval before purchasing automation goods and services in excess of \$500 with their Non-EDP administrative funds under the following circumstances:

- Non-EDP IT service agreements involving programming activities and system enhancements (An example of this would be enhancements to an existing Integrated Voice Response/Voice Response Unit (IVR/VRU) system.)
- Software license upgrades for existing Integrated IVR/VRU and imaging systems
- Non-EDP IT service contracts for modifications or programming changes to existing LCSA application interfaces that would have potential impacts to the Statewide system
- Hardware purchases in excess of \$500 (i.e., Imaging system components, IVR/VRU components, depreciable servers, and production printers)

Further, it is not necessary for LCSAs to obtain prior approval for annually renewed Non-EDP IT service agreements for daily maintenance and operations support services.

If LCSAs have any questions or concerns regarding Non-EDP Automation requests, please contact Peter Lucyga at (916) 464-5098. Questions concerning property ledger, tagging and inventory of equipment, please contact Cindi Pocaroba at (916) 464-5086.

Sincerely,



OLIVIA CORTEZ
Deputy Director
Administrative Services Division