

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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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 15, 2005

LCSA LETTER: 05-23

ALL IV-D DIRECTORS

SUBJECT: REVISIONS TO THE CS 356 - ADMINISTRATIVE EXPENSE CLAIM

The purpose of this letter is to inform local child support agencies (LCSAs) of revisions made to the CS 356 Administrative Expense Claim (AEC) and to provide clarification and instructions about those changes.

It was necessary for the Department of Child Support Services (DCSS) to revise the CS 356 AEC to capture more detailed expenditures and to ensure compliance with federal reporting requirements. The revised CS 356 AEC will become effective with the second quarter of state fiscal year (SFY) 05/06. All LCSAs should begin reporting all required costs to the extent possible, recognizing that newly required costs such as salaries for LCSA State Disbursement Unit (SDU) activities, may require on-going time study efforts in order to report accurately. In addition, the CS 356 AEC will now capture more detailed costs for Electronic Data Processing (EDP) Maintenance and Operations (M&O) which correspond to the Advance Planning Document (APD) that DCSS submits to the Administration for Children and Families (ACF).

If staff associated with SDU activities perform duties that vary from day to day, it will be necessary for LCSAs to time study these activities to accurately capture personnel costs. Time certifications may be used if these duties are consistently performed each day.

Collection & Distribution/SDU Costs

Collection & Distribution/SDU activities are those associated with LCSA staff responsible for performing child support collection activities and distribution functions, including first and second line supervisors and those staff responsible for completing the CS 34/35. In addition, staff costs associated with SDU implementation workload at the LCSA should also be reported here. These functions include transition induced workload, such as misdirected payments, customer services calls and trust fund reconciliation.

An activity line accessible through a drop down box has been added to the CS 356.2 to capture Collection & Distribution/SDU activities. Collection & Distribution/SDU costs must

be claimed as Federally Eligible Expenses on the CS 356.2. If the LCSA uses time certifications, enter the costs into the Direct Personnel Services Expense column. If using time studies, enter the hours into the Time Study Hours Column.

Enter the amount of any Direct Operating costs associated with Collection & Distribution/SDU on the CS 356.3, Direct Operating Expenses column. If no amount is entered into this column, the claim will automatically allocate all Operating expenses based on the LCSAs input on the CS 356.1, Section II. Direct Services Contracts associated with SDU activities must be entered into the Direct Services Contracts column on the CS 356.3.

Electronic Data Processing Maintenance & Operations

DCSS has been directed by the ACF to provide detailed EDP M&O expenditure data for all LCSAs. In order to meet the ACF reporting requirements, the CS 356.4 EDP M&O expenditure fields have been revised to include drop-down detail boxes that correspond to the APD budget categories. This detail is similar to the EDP Budget Request website budgeting detail that LCSAs have been working with the last few years.

LCSA and Consortia recurring and non-recurring account code drop-down fields are activated by clicking on the main data entry field. After the detail expenses are entered, the entries automatically roll-up to the main recurring and non-recurring expense field.

Definitions for the detail line items are included in Attachment I.

If you have any questions or concerns regarding Administrative Expenses, please contact Cindi Pocaroba at (916) 464-5086 or your County Allocations and Claims Policy Analyst. For any questions or concerns regarding EDP Expenses, please contact Peter Lucyga at (916) 464-5098 or your Automation Funding and Approvals Unit analyst.

Sincerely,

o/s/CHER WOEHL

CHER WOEHL
Deputy Director
Administrative Services Division

Attachment

cc: David Oppenheim, Child Support Directors Association

December 2005

CS 356.4 EDP Expenditure Drop-down Detail Definitions

CS 356.4 Electronic Data Processing (EDP) Maintenance & Operations (M&O) expenditure fields have been revised to include drop-down detail boxes that correspond to the Advance Planning Document budget categories. This detail is similar to the EDP Budget Request website budgeting detail that LCSAs have been working with the last few years.

LCSA and Consortia recurring and non-recurring account code drop-down fields are activated by clicking on the main data entry field. After the detail expenses are entered, the entries automatically roll-up to the main recurring and non-recurring expense field. Definitions for the detail line items are included below.

EDP Local Recurring Account Expenditures

(Corresponds to EDP M&O Budget Table 1)

- Cost Item A1, LCSA personnel, list all costs for LCSA staff that provide management, technical and support services to the Child Support Enforcement (CSE) system.
- Cost Item A2, Contractor LCSA Services, list all costs for LCSA-held contracts directly supporting the CSE system such as: IT personnel that provide programming and/or maintenance of the CSE system, or maintenance agreements for Servers, PCs, Printers, etc.
- Cost Item B1, Personnel charges (Contractor & County). List all expenditures for costs charged back to the LCSA from the County Information System Division (ISD). These County ISD personnel or Contractor staff directly support the CSE system. *(Commonly included in ISD service & rate schedules, and written in an executed Memorandum of Understanding between the LCSA and the County ISD.)*
- Cost Item B2, Production Charges, list all expenditures for costs charged back to the LCSA from the County ISD for data center computer systems usage directly related to the maintenance and operation of the CSE system. Typically, these costs are billed as processor, disk, and tape; or, by system, such as: IBM, Unisys, or Mid-Range computing. *(Commonly included in ISD service & rate schedules, and written in an executed Memorandum of Understanding between the LCSA and the County ISD.)*
- Cost Item B3, Network Charges, list all expenditures for costs charged back to the LCSA from the County ISD for charges associated with installation, access, or usage of wide-area networks (WAN) utilized for accessing the CSE

system (Commonly included in ISD service & rate schedules, and written in an executed Memorandum of Understanding between the LCSA and the County ISD.)

- Cost Item C1, Network, list all expenditures associated with LCSA-specific “local” costs related to maintenance, operation, or usage of local or wide area networks (WAN) for accessing the CSE application.
- Cost Item C2, HW Lease, list all expenditures associated with continuing LCSA lease agreements on Hardware (HW), such as: mainframes, network servers, network printers, PCs.
- Cost Item C3, HW Maintenance, list all expenditures associated with ongoing costs for maintenance service agreements to support CSE system hardware beyond the manufacturer’s original warranty.
- Cost Item D1, SW Maintenance, list all expenditures for recurring software (SW) costs associated with the CSE system such as: JetForms, Voice Response Units (VRUs), operating systems, terminal emulators, subscriptions, licenses, etc.
- Cost Item E1, Site and Facilities, include all direct site and facilities costs associated with EDP staff located in a facility separate from the LCSA office. These costs are for EDP staff supporting the CSE system as listed under A1, LCSA, and Personnel. For indirect site and facilities costs whereby program and EDP project staff are co-mingled, the LCSAs need to utilize a percentage of full-time equivalent (FTE) EDP M&O staff to total LCSA FTEs.
- Cost Item E2, Training, list all expenditures for training costs associated with the LCSA personnel.
- Cost Item E3, Travel, list all expenditures for travel associated with the LCSA personnel. (Do not include CCSAS travel expenses claimed as a T1, T2, T3, T4, T6 code – see CCSAS Travel Expenditures on page 5.)
- Cost Item E4, Overhead/Indirect; include direct Overhead/Indirect costs associated with EDP staff. For indirect Overhead/Indirect costs, the LCSAs need to utilize a percentage of FTE EDP M&O staff to total LCSA FTEs. Overhead/Indirect costs include external fees paid to supporting departments and agencies for services that indirectly support EDP M&O activities; includes ISD overhead/indirect fees.
- Cost Item E5, Other, include any other direct costs associated with EDP staff listed on Line A1, LCSA, Personnel. For other indirect costs, the LCSAs need to utilize a percentage of FTE EDP M&O staff to total LCSA FTEs. The “Other” category captures all other miscellaneous operating expenses and equipment attributable to the LCSA EDP staff such as communication, printing, postage, cell phones, pagers, etc.

Local Non-Recurring Account Expenditures

(Corresponds to EDP M&O Budget Table 3)

- Cost Item, 1, LCSA Personnel, list all costs associated with LCSA Personnel staff required to implement the requested Non-Recurring project.
- Cost Item 2, Contractor Services, list all costs associated with LCSA Contractor Services staff required to implement the requested Non-Recurring project.
- Cost Item 3, Hardware, list all costs for Non-Recurring project hardware with a per unit cost of less than \$5,000.
- Cost Item 4, Hardware: Depreciable (>= \$5,000), list all costs for Non-Recurring project hardware with a unit cost equal to or greater than \$5,000. *(Note: Claiming instructions for depreciable hardware are being finalized as of September 2005.)*
- Cost Item 5, Software, list EDP software costs associated with Non-Recurring projects, such as new operating system software, terminal emulation software, or interface application software. This sub-cost category is also used for Non-Recurring software upgrades.

Consortium Recurring Account Expenditures

(Corresponds to EDP M&O Budget Table 4. The Consortium drop-down section below applies only to LCSA's with Consortia funding.)

- Cost Item 1, Central Processing Charges, list all costs associated with computer system and network usage required for daily operation of the Consortium CSE system. The costs should include all three sub-categories: ISD Personnel, Production Charges, and Network Charges.
- Cost Item 2, Contract Services, list all costs associated with Consortium-held contracts that provide maintenance and operations support services.
- Cost Item 3.0, 3.1, and 3.2, County IT Personnel, list total costs associated with Consortium/County IT Personnel resources directly involved with supporting the CSE system. *(Include any LCSA staff redirected/allocated to support the Consortium.)*
 - Cost item 3.0; list all costs for County IT Personnel Management Staff.
 - Cost item 3.1; list all costs for County IT Personnel Technical Staff.
 - Cost Item 3.2; list all costs for County IT Personnel Support Staff.

- Cost Item 4, HW Lease, list total costs of ongoing annual lease agreement payments for hardware utilized for Consortium CSE system.
- Cost Item 4.1, HW Maintenance, list total costs associated with on ongoing Consortium maintenance service agreements that are outside of the manufacturers original purchase warranties.
- Cost Item, 5, SW Maintenance, list total costs associated with all recurring software maintenance costs for software and interface applications associated with the Consortium CSE system such as, JetForms, VRUs, operating systems, terminal emulators, subscriptions, software licenses, etc.
- Cost Item 6, Site and Facilities, list total costs for any separate facility that only houses Consortium EDP staff. For indirect site and facilities costs for EDP staff co-mingled in a facility, the Consortia needs to utilize a percentage of FTE EDP staff to total Consortium FTEs and then include those costs under Consortium Site and Facilities.
- Cost Item 6.1, Training, list all direct training costs associated with Consortium EDP staff.
- Cost Item 6.2, Travel, list all direct travel costs associated with Consortium EDP staff. *(Do not include CCSAS travel expenses claimed as a T1, T2, T3, T4, T6 code – see CCSAS Travel Expenditures on page 5.)*
- Cost Item 6.3, Overhead/Indirect, list all direct Overhead/Indirect costs associated with Consortium EDP staff. For indirect Overhead/Indirect costs for EDP staff, the Consortia needs to utilize a percentage of FTE EDP staff to total Consortium FTEs. Overhead/Indirect costs include external fees paid to supporting departments and/or agencies for services that indirectly support EDP M&O activities; includes ISD overhead/indirect fees.
- Cost Item 6.4, Other, list all direct Other costs associated with Consortium EDP staff. For indirect other costs for Consortium EDP staff, the Consortia needs to utilize a percentage of FTE EDP staff to total Consortium FTEs. The “Other” category captures miscellaneous operating expenses and equipment attributable to the Consortium EDP staff such as cell phones, pagers, supplies, etc.

Consortium Non-Recurring Expenditures

(Corresponds to EDP M&O Budget Table 5. The Consortium drop-down section below applies only to LCSA's with Consortia funding.)

- Cost Item 1, Consortium/County IT Personnel, list total costs associated with Consortium EDP staff required to implement the requested Non-Recurring project.

- Cost Item 2, Contractor Services, list total costs associated with Consortium Contractor Services staff required to implement the requested Non-Recurring project.
- Cost Item 3, Hardware, list total costs for Non-Recurring project hardware with a per unit cost of less than \$5,000. Hardware under \$5,000 per unit is considered “minor” equipment; therefore, the equipment is not depreciable.
- Cost Item 4, Hardware: Depreciable (>= \$5,000), list total costs for Non-Recurring project hardware with a unit cost equal to or greater than \$5,000. *(Note: Claiming instructions for depreciable hardware are being finalized as of September 2005.)*
- Cost Item 5, Software, list EDP software costs associated with Non-Recurring projects, such as new operating system software, terminal emulation software, or interface application software. This sub-cost category is also used for Non-Recurring software upgrades.

CCSAS Travel Expenditures (not part of EDP M&O allocation)

- Travel expenses by LCSA staff in direct support of the California Child Support Automation System (CCSAS) project are not funded with EDP M&O funding. CCSAS travel accounts are established by the DCSS Allocations and Claims Policy Unit – EDP Approvals Unit upon specific request by LCSAs. Once established, these codes will appear on the CS 356.4 claim as a stand-alone non-recurring account line.
- The DCSS Allocations and Claims Policy Unit point-of-contact for specific request procedures is Marta Rivas-Glaze, e-mail: Marta.Rivas-Glaze@dcss.ca.gov.
- Cost Item, Travel, is the only expense field drop-down selection in this non-recurring travel account category.
- The CCSAS travel account numbers contain activity prefix labels comprising of the following classifications:
- T1 - Executive Business Group - LCSA senior executives and managers traveling to participate in project implementation activities.
- T2 - On-Site Support (w/Federal Financial Participation) - Current CASES LCSAs that support other converting LCSAs by providing CASES experts, on site, for the first month of CASES operations.

- T3 - On-Site Support (No FFP) - Current CASES LCSAs that support other converting LCSAs by providing CASES experts, on site, for the first month of CASES operations, for applications not eligible for FFP.
- T4 - LCSA Backfill - LCSA project staff travel reflected in CSE Development and Testing, including both full-time staff located at the project office and some LCSA staff that travel to project locations for regular meetings.
- T6 - Statewide System Training Travel - LCSA trainers traveling to one of four regional training sites to receive a minimum of two days of intensive application training.