

# FISCAL ESSENTIALS 102



- **STACEY SANDOVAL** – FRESNO COUNTY
- **CHERLYN DAVIS** – SACRAMENTO COUNTY
- **MARIA LUCIA GONZALES** – SACRAMENTO COUNTY

# Agenda



- **Claims**
  - **Assistance – CA 800**
  - **Administration – CEC**
- **Claiming Regulations**
- **Allocated vs. Direct Charged**
- **Time Studies**
- **Case Counts**
- **Overspending Program Allocations**





# A DIRECTOR'S PERSPECTIVE

# FISCAL REGULATIONS

**SOCIAL SERVICES FINANCING IS GOVERNED BY MANY AGENCIES AND REGULATIONS:**



- COUNTY WELFARE DEPARTMENT (CWD) COST ALLOCATION PLAN
- 2 CFR 225 “COST PRINCIPLES FOR STATE, LOCAL & INDIAN TRIBAL GOVERNMENTS”
- COUNTY FISCAL LETTERS (CFLS) AND ALL COUNTY LETTERS (ACLS)
- COWCAP – COUNTY-WIDE COST ALLOCATION PLAN

# CWD COST ALLOCATION PLAN

- WHAT IS A COST ALLOCATION PLAN (CAP)?
- WHY IS THE COST ALLOCATION PLAN NECESSARY?
- HOW IS THE COST ALLOCATION PLAN APPLIED?



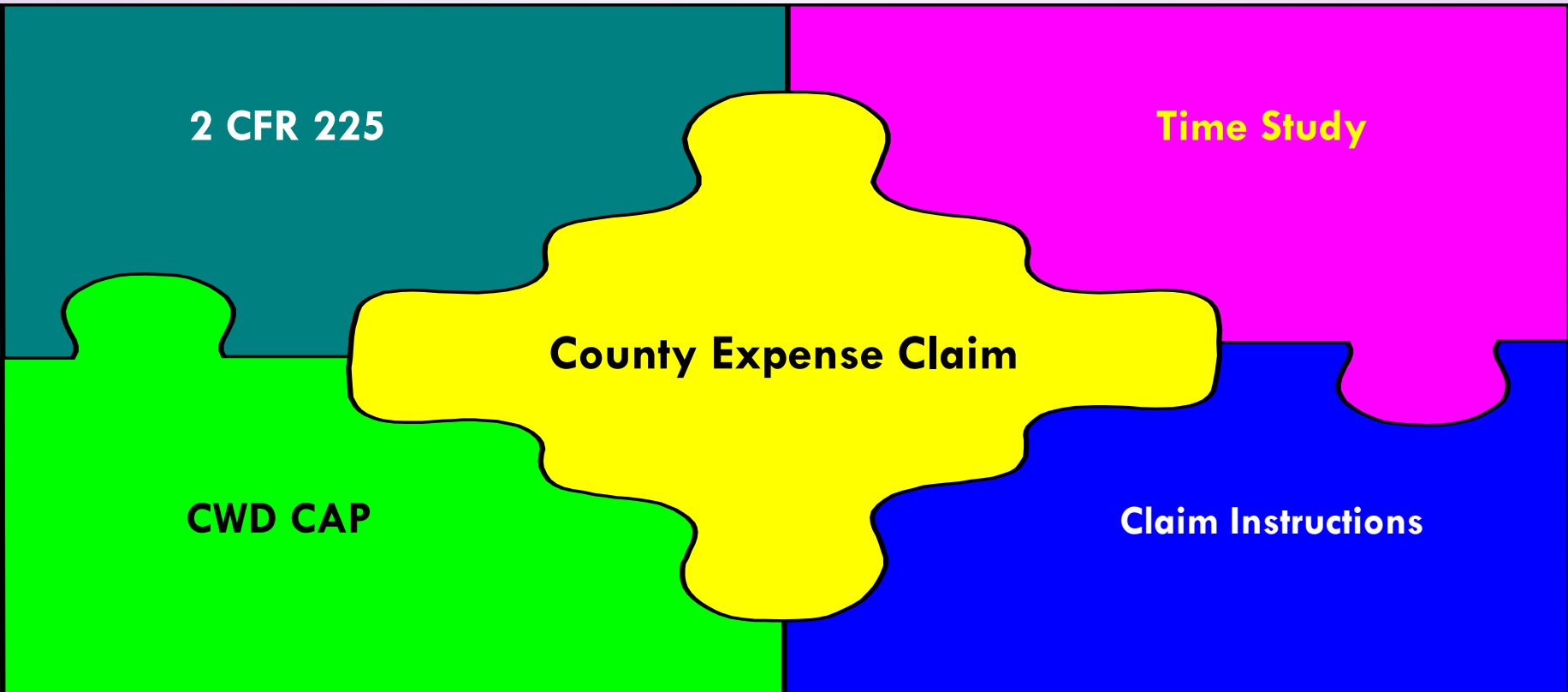
## 2 CFR 225

### THE FEDERAL PROVISIONS THAT OUTLINE PRINCIPLES IN DETERMINING ALLOWABLE COSTS FOR FEDERAL AWARDS

- COSTS REQUIRED TO OPERATE A PROGRAM SUCH AS PERSONNEL COSTS, GOODS AND SERVICES, EQUIPMENT, TRAINING, TRAVEL, ETC.
- COSTS MUST BE REASONABLE, FAIR, EQUITABLE, AND CONSISTENT – WE MUST TREAT LIKE COSTS ALIKE



# FISCAL REGULATIONS



A yellow sticky note is centered on a light blue background. A silver paperclip is attached to the top edge of the note. The word "CLAIMS" is written in blue, uppercase, cursive-style letters across the middle of the note. A thin blue horizontal line is drawn below the word. The background features a gradient from light purple at the top to light blue at the bottom, with several translucent, 3D-rendered water droplets scattered around the note.

CLAIMS



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graph TD; PROGRAM[PROGRAM] --- ASSISTANCE["ASSISTANCE (CA800)"]; PROGRAM --- ADMINISTRATION["ADMINISTRATION (CEC)"]
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**PROGRAM**

**ASSISTANCE  
(CA800)**

**ADMINISTRATION  
(CEC)**

# Assistance

- CALWORKS ASSISTANCE COSTS ARE CONSIDERED ENTITLEMENT PROGRAMS (UNCAPPED), NOT ALLOCATED TO COUNTIES, AND ARE NOW REALIGNED.
- FOSTER CARE AND ADOPTIONS ASSISTANCE PROGRAMS ARE FUNDED WITH FEDERAL FUNDS, REALIGNMENT, AND COUNTY GENERAL FUNDS.
- IHSS IS FUNDED THROUGH TITLE XIX AND MOVED TO THE NEW MOE MODEL, MAKING THE STATE SHARE VARY.



# ASSISTANCE CLAIMS

- THE CA800 IS AN EXCEL WORKBOOK CREATED BY THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS) AND IS THE MECHANISM USED BY COUNTIES TO OBTAIN FEDERAL AND STATE REIMBURSEMENT FOR THE ASSISTANCE EXPENDITURES.
- PAYMENTS ARE MADE THROUGH THE CONSORTIUM SYSTEMS (CALSAWS & CALWIN).
- CASH ASSISTANCE PAYMENTS AND FOSTER CARE PLACEMENT COSTS ARE INCLUDED ON THE CA800.
- IHSS PAYMENTS ARE MADE THROUGH CMIPS II AND THE STATE INVOICES THE COUNTY FOR THEIR SHARE OF COST.

# Administration

- COUNTIES ARE PROVIDED ALLOCATIONS FOR CAPPED STATE FUNDING STREAMS TO ADMINISTER THE PROGRAMS.
  - IN MOST CASES, THE FEDERAL FUNDS ARE UNCAPPED.
- ALLOCATIONS ARE NOT CONTROLLED AT THE DETAIL LEVEL.
- ALLOCATIONS ARE ONLY GOOD FOR ONE FISCAL YEAR! USE IT OR LOSE IT.



# CEC PURPOSE - ADMINISTRATION

- THE COUNTY EXPENSE CLAIM (CEC) IS AN AUTOMATED SYSTEM THAT WAS CREATED BY THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS).
- ONLY ADMINISTRATIVE COSTS AND MANDATED CLIENT SERVICES ARE PROCESSED THROUGH THE CEC.
- THE CEC IS THE MECHANISM USED BY COUNTIES TO OBTAIN FEDERAL AND STATE REIMBURSEMENT FOR THE SOCIAL SERVICES PROGRAMS ADMINISTERED BY CWD.



# CEC PURPOSE

- **ADMINISTRATIVE COSTS**
  - **SALARY AND BENEFITS**
  - **FACILITY COSTS (LEASES, UTILITIES, BUILDING IMPROVEMENTS)**
  - **TRAVEL**
  - **TRAINING COSTS**
  - **EQUIPMENT**
  - **OTHER OPERATING**
- **MANDATED CLIENT SERVICES**
  - **CONTRACTS**
  - **CHILD CARE**
  - **SUPPORTIVE SERVICES**



# KEY COMPONENTS FOR COMPLETING THE CEC

- **TIME STUDY DATA**
- **CASE COUNT DATA**
- **EXPENDITURE DATA**



# ALLOCATED COSTS

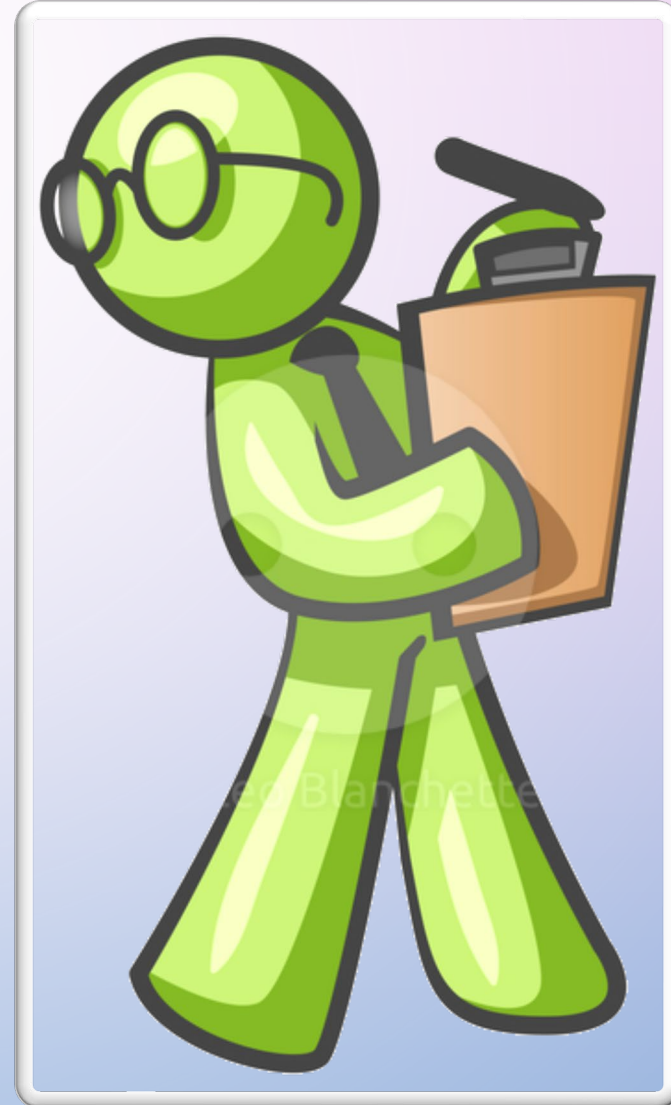
- MOST COUNTY EXPENDITURES ARE ALLOCATED WITHIN THE CEC.
- ALLOCATED COSTS INCLUDE:
  - SALARY & BENEFITS
  - OTHER OPERATING COSTS
  - FACILITIES, EDP, AND SDD COSTS
- FEDERAL AND STATE GUIDELINES REQUIRE EQUITABLE DISTRIBUTION OF COSTS AMONG ALL PROGRAMS WHEN COSTS CANNOT REASONABLY BE CHARGED TO A SPECIFIC PROGRAM.





# **HOW ARE COSTS ALLOCATED WITHIN THE CEC?**

- **TIME STUDIES**
- **CASE COUNTS**





# HOW DO YOU PROGRAM MANAGERS GET INVOLVED? A DIRECTOR'S PERSPECTIVE

# HOW IS THE TIME STUDY DATA USED WITHIN THE CEC?

- **3 DIFFERENT TIME STUDY RATIOS:**
  - **CASEWORK RATIO**
    - THIS RATIO IS USED TO ALLOCATE GENERIC COSTS TO ONE OF THE FOLLOWING FOUR CEC FUNCTIONS: SOCIAL SERVICES, CALWORKS, OTHER PUBLIC WELFARE, AND CHILD CARE.
  - **PROGRAM RATIO**
    - THIS RATIO IS USED TO ALLOCATE ALL OTHER COST POOLS, WHERE APPLICABLE, TO THE PROGRAM LEVEL.
  - **SALARY POOL PROGRAM RATIO**
    - THIS RATIO IS USED TO ALLOCATE CASEWORKER SALARY AND BENEFITS COSTS WITHIN THE CEC FUNCTIONS TO THE PROGRAM LEVEL.

# CASEWORK RATIO

- THE CASEWORK RATIO IS CALCULATED BY DIVIDING THE CASEWORK HOURS OF EACH FUNCTION BY THE TOTAL CASEWORK HOURS.

Function	Total Casework Hours	Casework Ratio
Social Services	150,000.0	0.348837
CalWORKs	90,000.0	0.209302
Other Public Welfare	180,000.0	0.418605
Child Care	10,000.0	0.023256
Total	430,000.0	1.000000



# CASEWORK RATIO

- THE CASEWORK RATIO IS APPLIED TO GENERIC COSTS TO DETERMINE THE FUNCTION COSTS.
- GENERIC OPERATING COSTS FOR THE QUARTER WERE **\$10,000,000**. THESE COSTS ARE ALLOCATED TO THE FUNCTION BASED ON THE CASEWORK RATIO:

Function	Total Casework Hours	Casework Ratio	Generic Operating Costs
Social Services	150,000.0	0.348837	\$ 3,488,372
CalWORKs	90,000.0	0.209302	\$ 2,093,023
Other Public Welfare	180,000.0	0.418605	\$ 4,186,047
Child Care	10,000.0	0.023256	\$ 232,558
Total	430,000.0	1.000000	<b>\$10,000,000</b>

# CASEWORK RATIO

- IF THE HOURS FOR CALWORKS ARE REDUCED BY **20,000**, EITHER BY A REDUCTION IN FTE'S OR A CHANGE IN TIME STUDY PRACTICE, THE RESULT IS:



Function	Total Casework Hours	Casework Ratio	Total Casework Hours	Casework Ratio
Social Services	150,000.0	0.348837	150,000.0	0.365854
CalWORKs	90,000.0	0.209302	70,000.0	0.170732
Other Public Welfare	180,000.0	0.418605	180,000.0	0.439024
Child Care	10,000.0	0.023256	10,000.0	0.024390
Total	430,000.0	1.000000	410,000.0	1.000000

# CASEWORK RATIO

- THE ALLOCATION OF THE **\$10,000,000** CHANGES. CALWORKS RECEIVED A REDUCED AMOUNT; HOWEVER, ALL OTHER FUNCTIONS INCREASE.



Function	Total Casework Hours	Casework Ratio	Generic Operating Costs	Total Casework Hours	Casework Ratio	Generic Operating Costs	Diffence
Social Services	150,000.0	0.348837	\$ 3,488,372	150,000.0	0.365854	\$ 3,658,537	\$ 170,164
CalWORKs	90,000.0	0.209302	\$ 2,093,023	70,000.0	0.170732	\$ 1,707,317	\$ (385,706)
Other Public Welare	180,000.0	0.418605	\$ 4,186,047	180,000.0	0.439024	\$ 4,390,244	\$ 204,197
Child Care	10,000.0	0.023256	\$ 232,558	10,000.0	0.024390	\$ 243,902	\$ 11,344
Total	430,000.0	1.000000	\$ 10,000,000	410,000.0	1.000000	\$ 10,000,000	\$ -



**OVERTIME**



**OTHER OPERATING  
COSTS**



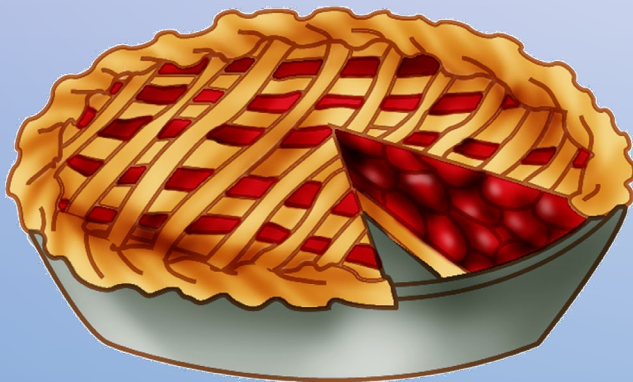
**CLIENT SERVICES**

**COUNTY DIRECT CHARGES EXAMPLES**



# SHARING RATIOS

- **SHARING RATIOS RELATES TO THE PERCENT OF COST REIMBURSEMENT THAT EACH ENTITY (FEDERAL, STATE, HEALTH, OR COUNTY) WILL CONTRIBUTE TOWARD EXPENDITURES FOR PROGRAMS.**
- **EACH PROGRAM CODE WITHIN THE CEC HAS A SHARING RATIO.**



# SHARING RATIO EXAMPLE

- **THE SHARING RATIOS FOR PC 343 (NON-ASSISTED CALFRESH ELIGIBILITY) IS AS FOLLOWS:**
  - **FEDERAL – 50%**
  - **STATE – 35%**
  - **COUNTY 15%**
  
- **ALL COSTS ALLOCATED OR DIRECT CHARGED TO PC 343 WILL BE REIMBURSED USING THESE RATIOS.**



# CEC LEDGERS

- THE LEDGER PAGES WITHIN THE CEC ARE USED TO TRACK ALLOCATIONS THAT THE COUNTY AGENCY RECEIVES TO OPERATE THE WELFARE PROGRAMS.
- THE PURPOSE OF THE LEDGERS IS TO TRACK EXPENDITURES AGAINST ALLOCATIONS.
- EXPENDITURES IN EXCESS OF THE PROGRAM'S ALLOCATION WILL BE SHIFTED TO COUNTY ONLY FUNDS WITHIN THE CEC USING A STATE USE ONLY (SUO) CODE.



# LEDGER EXAMPLE

- ALL CALFRESH PROGRAM CODES, INCLUDING PC 343, ARE TRACKED ON CEC LEDGER 017.
- IN EXAMPLE, LEDGER 017 DISPLAYS TOTAL EXPENDITURES BY PROGRAM CODE AND SHARING RATIO.

Ledger 017				
Program Code	Total Expenditures	Federal	State	County
PC 211	1,024,710	512,354	358,649	153,707
PC 268	123,938	61,969	43,378	18,591
PC 343	69,850,421	34,925,210	24,447,647	10,477,564
PC 347	1,013,736	506,867	354,808	152,061
Total	72,012,805	36,006,400	25,204,482	10,801,923

- ASSUMING THE STATE ALLOCATION FOR CALFRESH IS \$20 MILLION, THE COUNTY EXCEEDED THEIR ALLOCATION BY **\$5,204,482**.

# LEDGER EXAMPLE

- THEREFORE, THE STATE EXPENDITURES OVER THE ALLOCATION (**\$5,204,482**) WILL BE SHIFTED TO COUNTY ONLY FUNDS USING SUO 284:

<b>Ledger 017</b>				
Program Code	Total Expenditurees	Federal	State	County
PC 211	1,024,710	512,354	358,649	153,707
PC 268	123,938	61,969	43,378	18,591
PC 343	69,850,421	34,925,210	24,447,647	10,477,564
PC 347	1,013,736	506,867	354,808	152,061
<b>SUO 284</b>			<b>(5,204,482)</b>	<b>5,204,482</b>
Total	72,012,805	36,006,400	20,000,000	16,006,405

# OPPORTUNITIES WITHIN THE CEC

- ACCESS TO OPEN-ENDED FEDERAL FUNDING
  - HEALTH-RELATED TITLE XIX FOR CSBG, IHSS, CWS
  - TITLE IV-E FOR CWS, FC
  - EXAMPLES: PUBLIC HEALTH NURSES AND/OR MENTAL HEALTH CLINICIANS IN ADULT/CHILDREN'S SERVICES
- INTERNAL BRAIDING
  - LINKAGES SUPPORTED BY CWS AND/OR CALWORKS



# BRAIDED AND LEVERAGING FUNDING

- PARTNERSHIP TO COMBINE RESOURCES WITH OTHER ENTITIES
  - “LOCAL MATCH” TO ACCESS FEDERAL/STATE PROGRAM FUNDS
  - PROVIDE A SPECIFIC SERVICE OR SERVE A SPECIFIC CUSTOMER POPULATION
  
- FEDERAL FUNDING MATRIX- ALLOWABLE USAGE OF LOCAL MATCH FUNDS



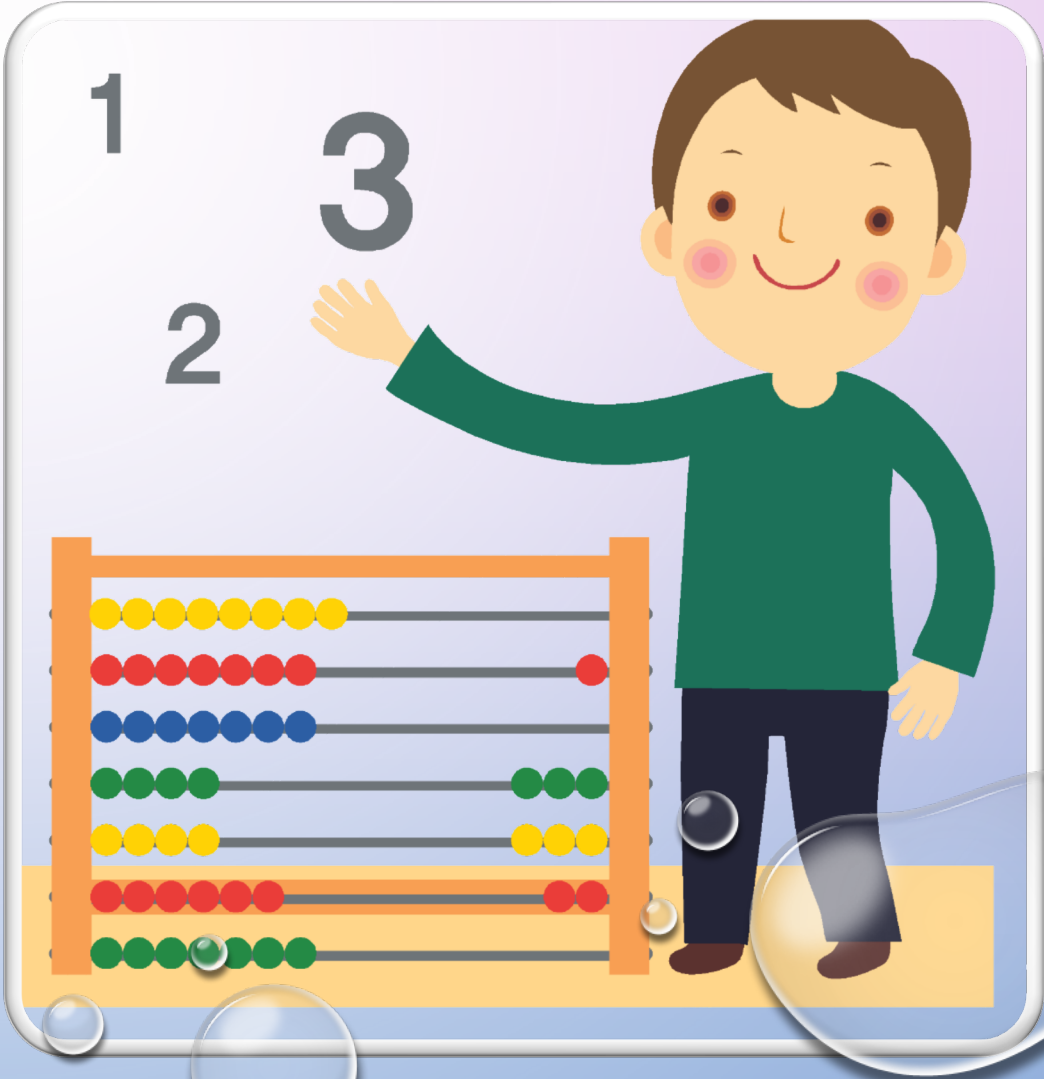
# ROLE OF THE MANAGERS



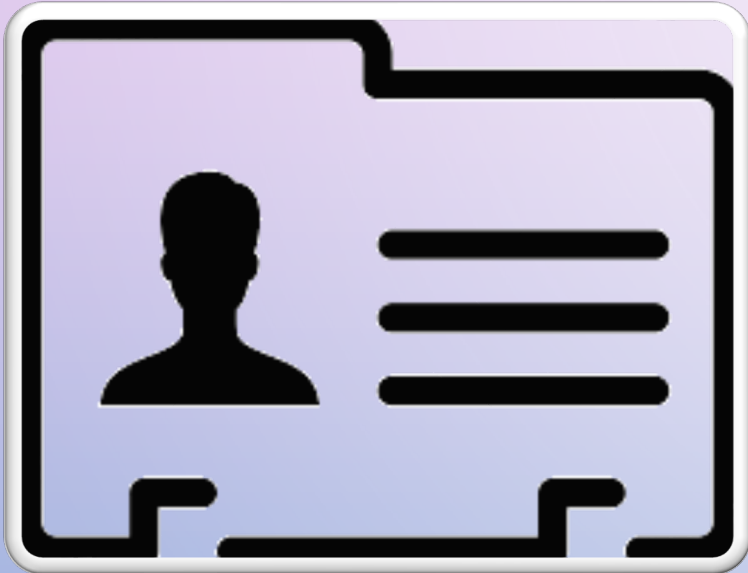
- **UNDERSTAND THE “BIG PICTURE”**
- **MANAGE TIME STUDIES**
- **MANAGE STAFFING LEVELS**
- **MONITOR CONTRACTS FOR PROGRAM OUTCOMES AND TIMELY EXPENDITURES**
- **SEEK OUT GRANT OPPORTUNITIES**
- **LOOK FOR EFFICIENCIES**
- **ASK QUESTIONS**
- **BE GOOD STEWARDS OF TAXPAYER DOLLARS**



**QUESTIONS?**



# CONTACT INFORMATION



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