

DEPARTMENT OF BENEFIT PAYMENTS



April 8, 1974

ALL-COUNTY LETTER NO. 74-58

TO: ALL COUNTY WELFARE DIRECTORS
COUNTY AUDITORS
COUNTY FISCAL OFFICERS

SUBJECT: ADMINISTRATIVE EXPENSE CLAIM INFORMATION

REFERENCE:

The purpose of this letter is to provide information to county welfare departments regarding the preparation of the Quarterly Administrative Expense Claim. Although much of this information is common knowledge among the counties, its importance warrants written confirmation.

1. Effective January 1, 1974, each prior fiscal year administrative claim must be submitted separately and handled as a cash 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 FY 72/73, Section 25-832 is applicable.
2. The modification on the administrative expense claim which deals with "reimbursement for nonassistance food stamp costs" has been revised for the January through March 1974 quarter. The first change is that a separate line is now provided for costs attributable to the "Outreach" program and nonassistance food stamp quality control staff. The second change is the method for determining the amount of travel attributable to the nonassistance food stamp program. This revised method is explained on the DFA 327.3, Part V, Footnote 4.
3. Since the quarterly eligibility and services time studies are now taken during the second month of each quarter, counties are able to compile the results much earlier. This lead time should help in the timely submittal of the quarterly claim, which is due on the twelfth working day of the month following the end of the quarter. The early completion of the time study summaries (DFA 47 and DFA 323) can also benefit the state in its request for advance funds from the federal government. Please bear in mind that these advances are then redistributed

to the counties. Therefore, after these summaries are completed, send a copy to the following address:

Department of Benefit Payments
744 P Street
Mail Station 13-72
Sacramento, CA 95814

4. Several recent pieces of state and federal legislation have made it necessary to revise the entire administrative claim. Because of these changes, there is some confusion regarding the forms to be used and their revision date. The following list indicates the forms and revision dates required for the January through March 1974 claim. All of these forms, if applicable, must be submitted. The only exceptions will be the monthly time studies which must be maintained on file in the county.

<u>Form</u>	<u>Revision Date</u>	<u>Must Be Submitted</u>
DFA 43	(1/74)	No
DFA 46	(1/74)	No
DFA 47	(2/74)	Yes
DFA 323	(2/74)	Yes
DFA 325.1 through 325.3	(2/74)	Yes
DFA 327.1 through 327.6	(2/74)	Yes
DFA 327.7	(3/74)	Yes
DFA 327.8	(2/74)	Yes
DFA 396	(5/73)	Yes
DFA 403	(2/74)	Yes

If these forms are not available in the county, please contact the Department of Benefit Payments Forms Control Unit at (916)445-1780.

5. A recent trend in county government has been to consolidate several departments and create one agency which is responsible for all of these departments. In order to determine if any reimbursement is available for these agencies, each county's method of organization must be analyzed. Prior to claiming any costs attributable to these agencies, a county with a super agency structure must submit a plan to the Department of Benefit Payments Fiscal Planning Bureau. This plan must show organizational structure and method of distributing costs to the various departments supervised.
6. A new form has been added to the quarterly administrative expense claim effective with the January through March 1974 quarter. This form, Reconciliation of Time Studies to Allocable Salary Pools (DFA 403), will be required with each quarterly claim. The purpose of the form is to insure that a time study is available for any person whose salary is included in either Group IA, Allocable Services, or Group IB, Allocable Eligibility and Nonservices. Although most counties already use a similar system for reconciliation, this new form will provide an easy convenient method which will safeguard all counties.

This form must be reconciled and submitted quarterly as documentation that time studies are available for all salaries claimed in the allocable services and eligibility/nonservices pools. The only salaries to be allowed in these two pools without a time study will be the salaries of employees who terminated during the first month of the quarter or salaries of employees who are hired during the third month of the quarter.

7. Because of the mandatory conversion from attendant care services to Adult Homemaker/Chore Services, many former and potential recipients who were receiving attendant care services are now receiving Adult Homemaker/Chore Services. Federal reporting requirements mandate that services expenditures must be broken down between current recipients and former and potential recipients. Therefore, these former and potential recipients who are now receiving Homemaker/Chore Services must be identified separately on the Administrative Expense Claim. This data is to be reported on the DFA 327.5 (2/74), Part V, Column 5, Line G.

8. During the office audit of the administrative claims and time study summaries, some problem areas have been noticed on the DFA 47, Social Service Time Study Summary and Program Allocation Ratios. The first area deals with the excessive amount of hours charged to the "Other" category. As indicated on the DFA 46, Social Service Worker Time Study, the activities chargeable to "Other" must be performed by social services staff and include, but are not limited to, the following:
 - 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.)

Although many services provided may fall into one of the above areas, if it is service which can be specifically identified it should be charged appropriately. For instance, if the information and referral service provided concerned family planning, time should be charged to "Family Planning Services" and not to "Other". Another example could be a noncase specific supervisory conference dealing with Child Care. In this example, time should be charged to Child Care services.

Since time charged to "Other" on the DFA 47 is reallocated back to other services listed within the program involved, counties cannot charge time to "Other" without also charging time to another line. As an example, copies of the DFA 47 have been submitted with the total hours for the MNO program recorded on the "Other" line. When this occurs, there is no base with which to reallocate the "Other" hours back. Therefore, the DFA 47 has to be sent back to the county for correction. This delays payment of the claim and creates additional workload for everyone involved.

9. The revised Administrative Expense Claim forms for the January through March 1974 quarter contain a minor error. The DFA 327.6 footnote 17/ should be revised to read:

Page 4, Modification C, Column 2, Line G. This form will be corrected on the next revision to the Administrative Expense Claim.

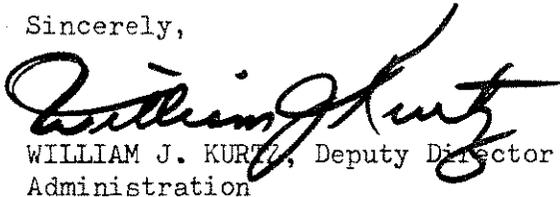
10. The HEW Audit Agency has requested that counties be notified to change any allocation method used by other county agencies in computing direct charges or memo bills (not A-87 costs) if the allocation method is effected by the Federal adult takeover.

Example: If the Auditor's Office was a direct or memo bill with the costs allocated on the number of warrants written, and charges made to the County Welfare Adult and Children's program, the costs should reflect the decrease in adult warrants as of January 1, 1974.

11. Several inquiries have been received lately concerning overtime hours on the time study. Overtime hours are not to be included in the time study. The reason is that the time study is taken one month of the quarter and is the basis for distributing three months expenditures. Therefore, overtime hours during the time study month would distort the distribution of costs.
12. In accordance with Fiscal Manual Section 25-800.321, all fraud investigators of the welfare department shall be shown as a direct charge in Group III Direct Cost, B. Eligibility and Nonservice, 1. Personal Services. These fraud investigators should split their time between the appropriate programs.

If any questions arise regarding this letter, please contact either Dick Lowry or Jim Gomez at 916/445-7046.

Sincerely,



WILLIAM J. KURTZ, Deputy Director
Administration

cc: CWDA