



CDSS

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October 12, 2009

COUNTY FISCAL LETTER (CFL) No. 09/10-29

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS
COUNTY PROBATION OFFICERS

SUBJECT: CLARIFICATION OF ELECTRONIC DATA PROCESSING
(EDP) COST CLAIMING

REFERENCE: CFL NO. 96/97-63 DATED JULY 9, 1997

The California Department of Social Services (CDSS) has received a high volume of questions regarding certain issues related to the claiming of EDP costs. The purpose of this letter is to provide counties with clarification on claiming these costs. Instructions in this CFL supersede those in CFL 96/97-63.

Depreciation

The state anticipates the useful life of EDP equipment greater than \$5,000 to be three to five years based on Internal Revenue Service (IRS) guidelines or documented industry standards.

To identify EDP equipment with an acquisition cost greater than \$5,000 and a useful life of more than a year, consider the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment useable for the purpose for which it was acquired. Do not include other charges such as transportation, installation, or protective in-transit insurance in determining the acquisition cost.

CFL 96/97-63 instructed counties to exclude taxes when determining the acquisition cost of EDP equipment. Counties are now instructed to include taxes when calculating the acquisition cost of EDP equipment. Shipping charges are considered transportation costs and should therefore not be included when calculating the acquisition cost of equipment.

Statewide Automated Child Welfare Information Systems (SACWIS) Maintenance and Operations (M&O) Costs

Effective beginning with the September 2009 quarter, counties should start using the M&O Direct To Program input screen to charge SACWIS M&O costs. The principle concern with this section of the claim is the allocation of Child Welfare Services/Case Management System (CWS/CMS) M&O costs using the SACWIS methodology. If M&O costs are input into the multi-function screen, the costs will automatically be allocated by the County Expense Claim (CEC) using the current quarter time study hours which is inconsistent with the methodology that was negotiated with ACF. Any EDP costs that are to be allocated in the current system by methodologies other than current quarter time study hours, whether those costs are M&O or Development, should be claimed Direct To Program.

Code 536 SACWIS M&O is to be used solely for costs related to M&O of the SACWIS system. Counties cannot access this code to charge development costs because this code, as its title suggests, is not used to capture these costs.

Claiming M&O Costs

When submitting APDs for approval, counties are required to display Development and M&O costs separately. This requirement will be effective with the September 2009 quarter. Furthermore, do not use the APD number from the approval letter when claiming M&O costs; this causes these costs to be incorrectly claimed as development costs.

It should be noted that the CEC in its current format does not allow the user to input M&O costs to an Advance Planning Document (APD) or Project Number and it does not record this information. In the future when the CEC is replaced, the system redesign will allow the user to input and track both Development and M&O costs by APD or Project Number. Counties should continue to track their M&O costs to the APD project number outside the claim for future verification and potential audits.

EDP Costs

Counties have frequently inquired why some codes are not currently available for claiming EDP Development or M&O costs. Not all codes are open for EDP costs at this time. CDSS is currently in the process of reviewing which codes will be available for claiming these costs. Furthermore, the inclusion of codes in this section of the claim is subject to federal review and approval.

Two Year Limit on Approvals

APD approvals are valid for two years from the date of approval and costs must be claimed within that time frame.

If costs need to be claimed later due to project delays or other circumstances, counties are advised to follow the Advance Planning Document (APD) Update process to obtain an updated approval letter from the Office of Systems Integration (OSI). The new approval letter must be obtained from OSI prior to claiming the costs. Failure to obtain a new approval letter could result in disallowance of costs.

Counties having any questions regarding this CFL should use the fiscal.systems@dss.ca.gov e-mail address to make any related inquiries.

Questions regarding CWS/CMS APDs should be addressed to the cws_apd@osi.ca.gov e-mail address.

Guidelines for the completion and answers to specific question regarding CWS/CMS APDs can be found behind the county logon on the CWS/CMS website: www.hwcws.cahwnet.gov/countyinfo/Countyspecific/ .

Questions regarding Statewide Automated Welfare System (SAWS)-related APDs are to be addressed to the Project.Approvals@osi.ca.gov e-mail address.

Templates for SAWS-related APDs can be found on the OSI Best Practices website at <http://www.bestpractices.osi.ca.gov/> .

Sincerely,

Original Document Signed By:

DIDI OKAMOTO, Chief
Fiscal Systems and Accounting Branch