

Agenda

- Child Support Program Overview
- Contractual Agreements and Deliverables
- AB1058 Reimbursable Services
- AB1058 Program Funding Status and Update
- Mid-Year Reallocation Process
- Program Audits
- Program Activities and Time Reporting
- Significant Program Changes
 - Contract changes
 - Paperless invoices
 - Rolling Time Studies

4

AB1058 Program Overview

- 1996 Legislative Enactment of AB 1058
 - Established the Child Support Commissioner and Family Law Facilitator Program
 - Creation of specialized child support commissioners and attorneys to help unrepresented litigants
 - Collect and distribute child support to families
 - Allowed federal and state funds to be leveraged for IV-D cases.

5

Title IV-D Program Services









6

AB 1058 Program Overview

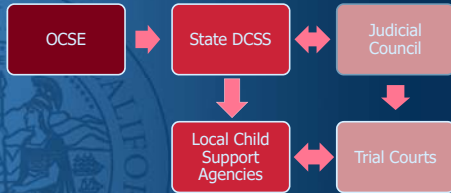
Government Roles

- Federal (Office Of Child Support Enforcement, OCSE)
 - Funding to establish program
 - Policies & Regulations
- State Administer (DCSS & Judicial Council)
 - Child Support Commissioner (CSC)
 - Family Law Facilitator (FLF)
- Local services provided
 - Courts
 - LCSA



7

AB 1058 Program Contracts



8

Standard Contract Requirements



9

Court Deliverables

- Plan of Cooperation with Local Child Support Agency (LCSA)
- Disclosure of all funding sources
- Written contract between contracted FLF and CSC using the required template
- Self-Help Tracking and Reporting Survey (STARS)
- Written FLF Office Complaint resolution process



10

AB 1058 Program IV-D Services



11

AB 1058 Reimbursable Activities

Both CSC and FLF Services

- Child support cases opened at LCSA
 - Child Support matters
 - Paternity matters
 - Companion Spousal support matters
 - Health insurance matters

Additional FLF Outreach Services

- Child support cases not yet filed at the LCSA.
 - Providing information & referral services
 - Distributing court forms
 - Brief Explanation of court process



12

FLF Program Expansion

- Increase merge of Family Law Facilitator and Self-Help offices
- Separation of Funding
 - IV-D Program funds
 - Self Help funds
 - Other court program funds
- Understanding of activities between AB 1058 facilitator, self help and other family law functions



13

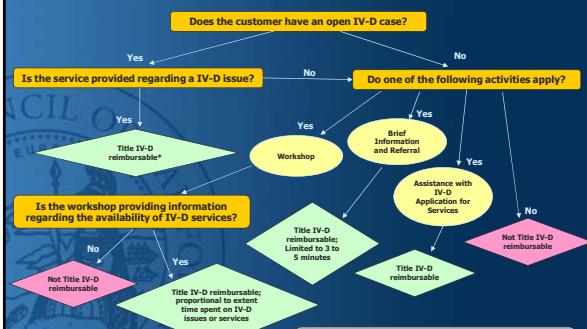
Continued Expansion of Self-Help Services

- Domestic Violence
- Custody and Visitation
- Dissolution of marriage Adoptions
- Juvenile Delinquency
- Landlord Tenant Disputes
- Small Claims
- Other non-grant activities, i.e. General court administration



14

FLF Reimbursability Decision Tree



*Note: If more than one service is being provided, the service(s) is/are only Title IV-D reimbursable to the extent that time is spent on IV-D issues.

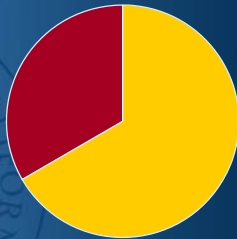
15

AB 1058 Program Funding Update

16

AB 1058 Program Funding

IV-D Funding



■ Federal ■ State

17

Federal Drawdown Option

Mechanism for the courts to recover two-thirds of additional program costs beyond the base maximum

Example:

Court expenses exceed base allocation by \$300.

- Court Share (1/3) - \$100
- Federal Share (2/3) - \$200

18

Additional Funding to Support the AB1058 Program

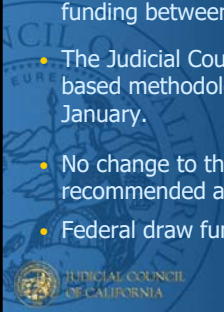
- Trial Court Trust Fund
 - Matching funds to drawdown federal funds
 - Expanded Services (DV, Custody-Visitation-Dissolutions)
- Self Help Funds
- Other grant and non-grant funds
 - Interpreter funds
 - Security funds
 - Court construction funds



19

AB 1058 Program Funding

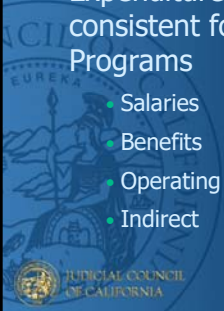
- In negotiation for new two year contract for funding between the Judicial Council and DCSS.
- The Judicial Council adopted a new workload based methodology for allocating CSC funds in January.
- No change to the FLF allocation methodology recommended at this time.
- Federal draw funds continue to be available.



20

Expenditure Categories

- Expenditure categories are consistent for both the CSC and FLF Programs
 - Salaries
 - Benefits
 - Operating Expenses
 - Indirect



21

AB 1058 Program Mid-Year Reallocation

- Annual Court Questionnaire
 - Assume current program level
 - Exclude program expansion
 - Exclude program enhancements and new facility leases
 - Expenditures to date (used to calculate funding for remainder of year)
- Review and evaluation by Judicial Council
- Requires Judicial Council-Court contract amendment to move the funding between courts*
- Continue reimbursement process using amended budget amounts

*(Maybe)



22

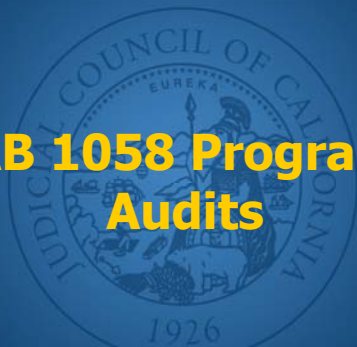
Administrative Mid-Year Reallocation Process

- At the end of the FY JC staff provide a financial analysis with spending projections for remainder of FY.
- Courts certify budgets, verify matching funds and return funds it will not use.
- Administrative Director authorized to move funds to courts who have already exhausted or projected to exhausted grant funds.
- Contract amendments sent to courts to execute.*



23

AB 1058 Program Audits



24

Why Are There AB 1058 Program Audits?



25

AB 1058 Program Audits

- AB 1058 Specific Audits
 - Office of Child Support Enforcement (OCSE Federal audits)
 - California Department of Child Support Services Audits (DCSS)
 - Judicial Council AB 1058 Program Review
- Other Types of Court Audits
 - Judicial Council—Audit Services
 - California Department of Finance
 - California State Auditor
 - California State Controller

26

What Are Auditors Looking For?

- Compliance with all Program accounting procedures, policies and regulations
 - Federal Regulations (Title IV-D and general Federal Grant provisions) Code of Federal Regulations (CFR)
 - Any federal guidance interpreting relevant CFR provisions
- Fiscal Provision Requirements of Program Contracts
 - JCC-state DCSS Contract
 - JCC-Court Contracts
- Judicial Branch Fiscal Policies
 - AB 1058 Grant Accounting Manual and Forms Instructions
 - Judicial Branch Contracting Manual
 - Trial Court Financial Policies and Procedures Manual

27

What Are Auditors Looking For? Strong System of Internal Controls

- Does the court have a "strong system of internal controls that assure charges to the AB 1058 grant are accurate, allowable and properly allocated"?
- All entities involved in the flow of grant funds are expected to have these "strong systems of internal control".
 - Federal OCSE
 - California DCSS
 - Judicial Council
 - Local Courts



28

Internal Controls Federal Requirement

- Establish and maintain effective internal control over the Federal Award
- Procedures comply w/ Federal statutes, regulations and terms and conditions of the award
- Evaluate and monitor compliance w/these procedures
- Take prompt action when noncompliance identified, including audit findings
- Safeguard protected personal information
(2 CFR 200.303 Code of Federal Regulations)



29

Court System of Internal Controls What activities does your court do to ensure grant compliance?

- How do you know what the grant requires?
- How does court staff know these requirements?
- What are resources to get this information?
- What are court's "quality control" procedures?
- Does court have procedures to correct compliance errors?
- Does your court coordinate communications among all who are involved in AB 1058 activity?



30

Internal Control Table Exercise

Group Table Discussion:

- Each table should identify at least 2 challenges to effective internal control in your courts from your perspective as grant accounting/fiscal staff and any best practices your table can identify to address those challenges.
- Table Report Back



31

DCSS AB 1058 Program Audits Update

- Total of 18 on-site audits of the AB 1058 CSC and FLF court programs (19 courts) have been completed by DCSS and published by the Judicial Council from November 2016 through November 2018.
- Where there have been audit findings, courts have submitted corrective action plans. DCSS reviews status of implementation of those corrective action plans within 6 months of the plan submission.
- DCSS submitted a letter to the Judicial Council regarding Superior Court Audits—Corrective Action Plan. JC responded with its state-level corrective action plan
- While there have been no court published audits since November 2018, DCSS court audits will resume at some point in the future.



32

Significant Audit Findings-- Summary

- Documentation of Time Working on the Grant
 - Federal grant rules require that individuals working on the grant identify the actual time worked on the AB 1058 grant and only submit time worked for reimbursement.
 - Most common finding was "court did not have sufficient support for personnel expenses claimed".
 - Court staff did not report actual direct labor hours worked in AB 1058 activities but instead used some other unauthorized method that included:
 - Filling out timesheet based upon proportion of budget rather than actual hours (for example, if funding for FLF was 50% grant and 50% self-help just recorded 1/2 of hours to the grant).
 - Filling out timesheets based upon what a manager "thought" or projected the AB 1058 workload to be.
 - Reporting all hours worked as AB 1058 even though individual staff worked on both AB 1058 and other activities.



33

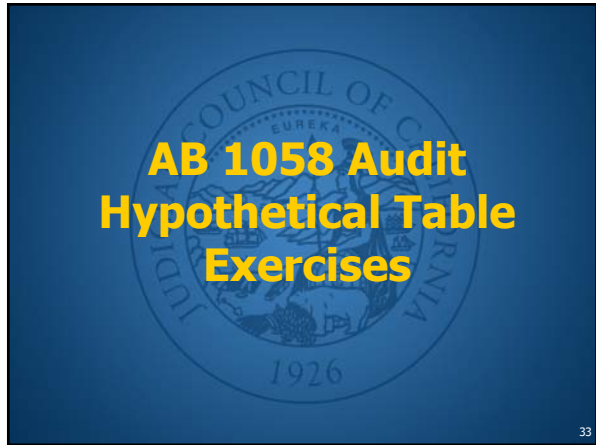
Significant Audit Findings-- Summary

- Indirect Costs (Based on accurate personnel expenses—finding of inaccurate personnel expense = reduction for allowable indirect costs)
- Operating Expenses
 - No contract for vendor services
- Contracted CSCs & FLFs
 - No JC Contract Approval
 - No Updated Current Contracts
 - Payments in excess of terms of contract
 - Deficient Contractor Activity Logs (timekeeping methods and signing)



34

AB 1058 Audit Hypothetical Table Exercises



33

Table Exercise Instructions


- Each of the following fact situations is based upon a DCSS audit finding or a DCSS corrective action stating the proper procedure.
- After the fact situation is stated, discuss briefly at your table and attempt to get a consensus on:
 - Whether the fact situation would result in an audit finding or is an acceptable procedure under the AB 1058 grant requirements and
 - Come up with a basis for your decision.
 - Participants will be asked for a quick report back on the results of each scenario.
 - Panel presenters will provide a report back on the actual audit finding and/or the correct result.



36

Fact Situation 1 Operating Expense


- Supervising FLF request the court to purchase computer equipment (laptops for FLF staff) estimated to cost \$10,000. Court staff seek and get approval in writing from JC Program Manager in May to use grant funds for this expense. Supervising FLF creates a purchase order (PO) on June 1, 2015, and forwards for approval through appropriate chain of command for such approval. Court approves the PO on July 1. Equipment order is made, received and paid later in July. Court claims expense in a June 15 supplemental invoice to JC that properly allocates cost to IV-D and non-IV-D use by applying court operating expense percentage.
- Will this expenditure be approved in an audit? Why or why not?



37

Fact Situation 1 Operating Expense


- Answer:** The expenditure will NOT be approved in an audit
- Federal rules provide that an expenditure is considered made on the date on which the cash disbursement is made.
- Here the expenditure was made in July 2015 but billed to the grant for June 2015. Expenditure was not made within the proper FY grant contract period.
- Tip: Auditors look closely at year-end closing expenditures.



38

Fact Situation 2 Timekeeping

- Legal Process Clerk does both IV-D and non-IV-D reimbursable activities. Her IV-D work is reimbursed under the Child Support Commissioner (CSC) component of the program. Review of this clerk's JC-4 timesheets shows exactly 2-hours work each day (10-hours per week) on all timesheets. Interview of the clerk, indicated she was instructed by a previous employee to record 10 hours per week to the CSC program based upon that employee's estimate of the average time spent on IV-D work.
- Will this claim be approved in an audit? Why or why not?
- Would the result be different, if this court had opted for the Rolling Time Study (RTS) method of staff timekeeping?



39

Fact Situation 2 Timekeeping

- **Answer:** No this claim will NOT be approved. Court will be required to pay back all time claimed + a portion of court Indirect Costs claimed.
- Federal rules and JC grant accounting manual require that timesheets reflect actual hours worked for the program. Estimates are not allowable to substitute for actual hours worked.
- Claim would NOT be approved even if court opted for RTS timekeeping option. That option still requires staff to track actual time and not any other unauthorized timekeeping method (estimates, unofficial time studies, etc.) Cannot overlay an unapproved method to the RTS option.



40

Fact Situation 3 Timekeeping

- All FLF staff record hours for both IV-D and non-IV-D activities on the JC-4 timesheet that are then submitted to JC grant accounting with the monthly invoice. FLF management has every staff member conduct a one-week time study, twice per year tracking actual hours worked on IV-D during this one-week period. Based on this time study, FLF court staff are instructed to enter this pre-determined number of hours each day on their timesheets for the rest of the grant period until the next time study.
- Is this an acceptable method of timekeeping? Why or why not?
- Would this claim be approved if the court had opted for the Rolling Time Study option of time keeping?



41

Fact Situation 3 Timekeeping

Answer: This is NOT an approved timekeeping method. In an audit, the timesheets would be deemed "unreliable". Court will be required to pay back all grant claims for salaries. In addition, court will have to repay indirect costs for the FLF program, as indirect cost must be calculated using accurate salary figures.

- The claim would not be approved even if the court opted for the RTS option. The RTS option sets out specific random time periods for tracking staff program time (4 weeks during each quarter) and requires that staff track actual time during those reporting periods.



42

Fact Situation 4 Timekeeping

- Self-Help Center staff provide both IV-D and non-IV-D services to the public. Due to the heavy volume of customers and hectic pace of the Center, the Self-Help manager has instructed his staff to keep a daily "scratch sheet" that has a column for IV-D time and non-IV-D time. After each service encounter, the employee writes down the time spent for that encounter under the appropriate funding category. If a customer is provided with both IV-D and non-IV-D services, the time for that encounter is split between the appropriate funding categories. At the end of each week, the employee transfers this information to the JC-4 program timesheet.
- Will this procedure result in an audit finding or not? Why?



43

Fact Situation 4 Timekeeping

- **Answer:** This timekeeping methodology will pass any audit review.



44

Fact Situation 5 Operating Expense Professional Service Contract

- The court uses independent court reporters who are compensated at a daily rate of \$200 per diem. The court submits AB 1058 claims to the JC during FY 2015-2016, for \$200 per day for three IV-D court days each week.
- The IV-D court calendar shows the Commissioner is in session three days per week from 9 a.m. to 12 noon. The court reporter submits a "Contractor Activity Log" that reports IV-D work from 9 a.m. to 12 noon, three days per week and non-IV-D work from 1:00 p.m. to 4:00 p.m. three days per week.
- The \$200 per diem rate and scope of work is set forth in a one-year contract that was executed in FY 2013-2014. There has been no change in either the per diem rate or scope of work since the execution of that contract.

- Will there be an audit finding or is this procedure acceptable and why?

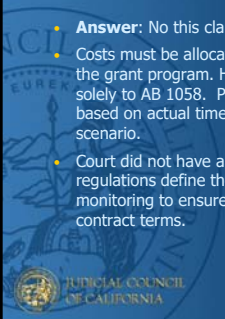


45

Fact Situation 5

Operating Expense/Contractor

- **Answer:** No this claim will not pass an audit review
- Costs must be allocated proportionally to benefits received by the grant program. Here, the \$200 per diem has been allocated solely to AB 1058. Per diem costs should be allocated 50/50 based on actual time worked on IV-D versus non-IV-D in this scenario.
- Court did not have an enforceable contract in place. Federal regulations define the need for a contract or MOU and require monitoring to ensure services provided & paid consistent with contract terms.

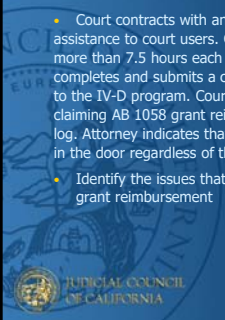


46

Fact Situation 6

Operating Expense/Contract FLF

- Court contracts with an attorney who provides Self-Help Center/FLF assistance to court users. Contract states that attorney shall not charge more than 7.5 hours each day and will be paid \$65 per hour. Attorney completes and submits a contractor activity log charging 8 hours per day to the IV-D program. Court submits the contractor activity log to JC claiming AB 1058 grant reimbursement consistent with the contractor's log. Attorney indicates that she provides services "to anyone who walks in the door regardless of their legal issue".
- Identify the issues that will be raised in an audit to determine valid grant reimbursement

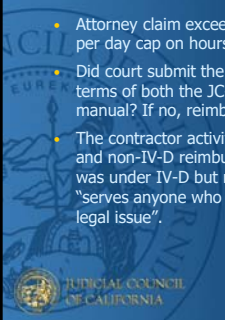


47

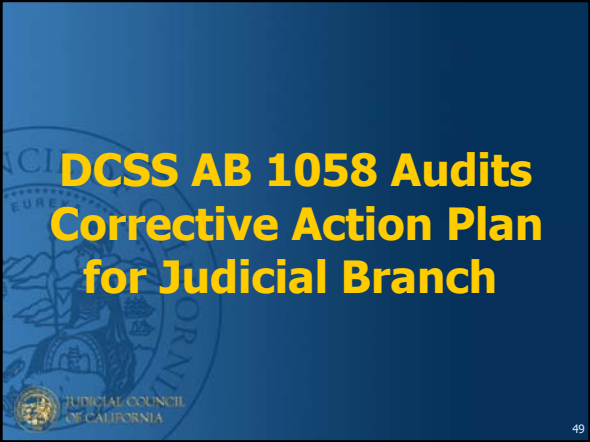
Fact Situation 6

Operating Expense/Contract FLF

- Attorney claim exceeds the terms of the contract (7.5 hours per day cap on hours)
- Did court submit the FLF contract to JC for prior approval per terms of both the JC-court grant contract and grant accounting manual? If no, reimbursement would be in question.
- The contractor activity log template includes tracking both IV-D and non-IV-D reimbursable activity. Here, all time on the log was under IV-D but non-IV-D services are likely provided. She "serves anyone who walks through the door—regardless of legal issue".

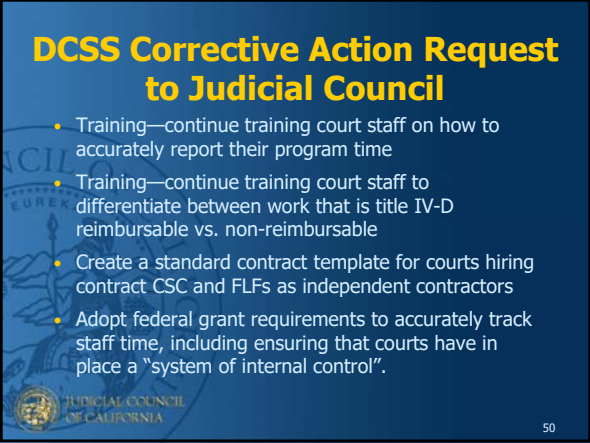


48



DCSS AB 1058 Audits Corrective Action Plan for Judicial Branch

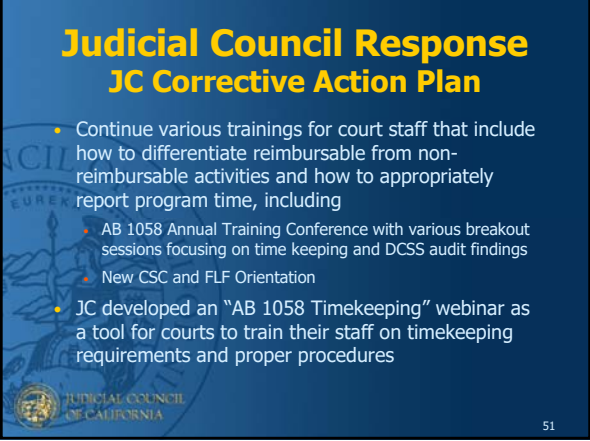
49



DCSS Corrective Action Request to Judicial Council

- Training—continue training court staff on how to accurately report their program time
- Training—continue training court staff to differentiate between work that is title IV-D reimbursable vs. non-reimbursable
- Create a standard contract template for courts hiring contract CSC and FLFs as independent contractors
- Adopt federal grant requirements to accurately track staff time, including ensuring that courts have in place a “system of internal control”.

50



Judicial Council Response JC Corrective Action Plan

- Continue various trainings for court staff that include how to differentiate reimbursable from non-reimbursable activities and how to appropriately report program time, including
 - AB 1058 Annual Training Conference with various breakout sessions focusing on time keeping and DCSS audit findings
 - New CSC and FLF Orientation
- JC developed an “AB 1058 Timekeeping” webinar as a tool for courts to train their staff on timekeeping requirements and proper procedures

51

Judicial Council Response JC Corrective Action Plan

- JC created a standard contract template for contract CSC/FLFs emphasizing timekeeping, travel reimbursement & required duties
- Developed an "AB 1058 Timekeeping" Fact Sheet that provides information on program requirements
- Developed a "Weekly Time tracking Log" as an optional form for FLF's to track IV-D time daily that can then be transferred to the JC-4 timesheet.



52

Judicial Council Response JC Corrective Action Plan

- JC created an "AB 1058 Grant Internal Controls" checklist resource document to be used by courts to ensure that courts create checks & balances to guarantee court staff properly document & track time. *(See JC website for copy)*
- JC updated the AB 1058 Grant Manual to incorporate lessons learned from DCSS audit
- JC requested that JC advisory committees approve including the courts' AB 1058 program in local court audits by JC audit staff.
- JC developed an alternative timekeeping methodology (RTS) for court staff that will include training and evaluation of its effectiveness.



53

Significant Program Changes



54

Judicial Council of California Trial Court Contract

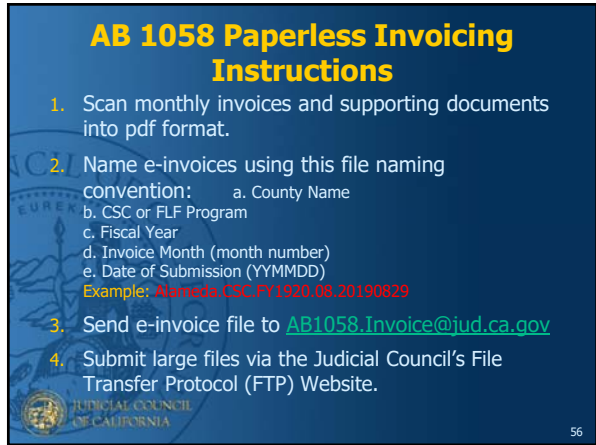
- Key Changes in the Contract:
 - Data collection:
 - Requires courts to report the regular schedule for CSC calendar and number of dark days for CSC
 - Judicial Council requirement to report data on FLF services which will be captured through STARS.
 - Option of using alternative timekeeping method of Rolling Time Studies
 - JCC unilateral option of extending the contract for second year and allows contract amount to change as part of midyear reallocation upon notice



AB 1058 Paperless Invoicing Instructions

1. Scan monthly invoices and supporting documents into pdf format.
2. Name e-invoices using this file naming convention:
 - a. County Name
 - b. CSC or FLF Program
 - c. Fiscal Year
 - d. Invoice Month (month number)
 - e. Date of Submission (YYMMDD)

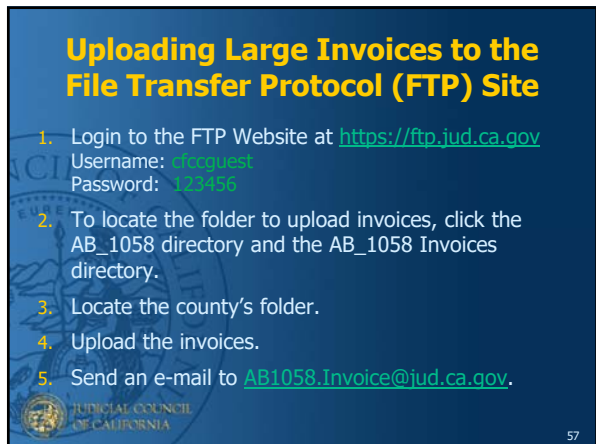
Example: ~~Alameda CSC FY1920.08.20190829~~
3. Send e-invoice file to AB1058.Invoice@jud.ca.gov
4. Submit large files via the Judicial Council's File Transfer Protocol (FTP) Website.



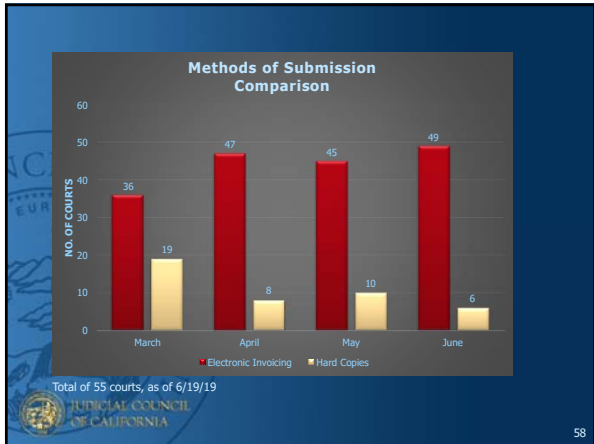
56

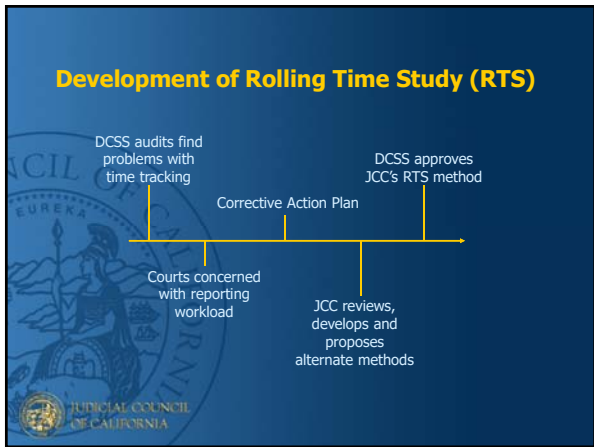
Uploading Large Invoices to the File Transfer Protocol (FTP) Site

1. Login to the FTP Website at <https://ftp.jud.ca.gov>
Username: [ctcquest](#)
Password: [123456](#)
2. To locate the folder to upload invoices, click the AB_1058 directory and the AB_1058 Invoices directory.
3. Locate the county's folder.
4. Upload the invoices.
5. Send an e-mail to AB1058.Invoice@jud.ca.gov.

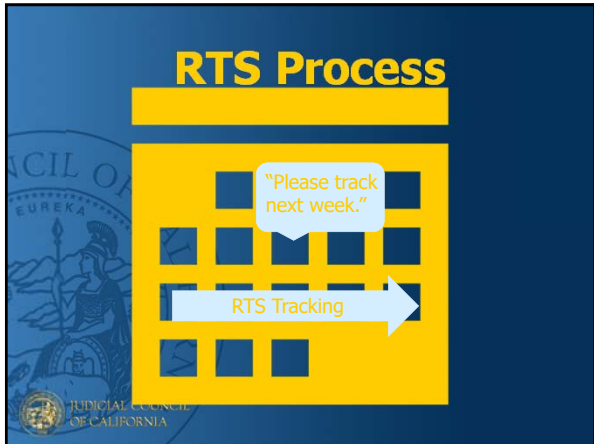


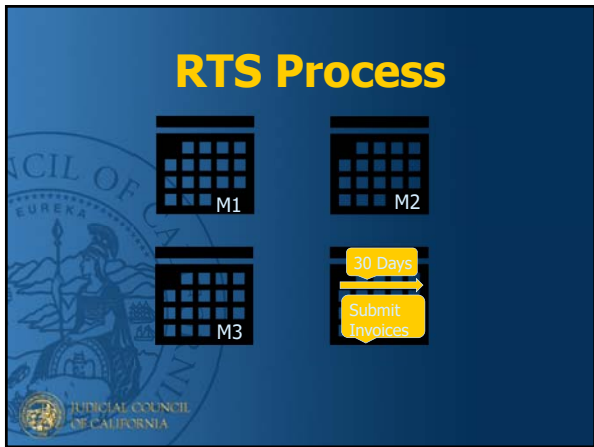
57

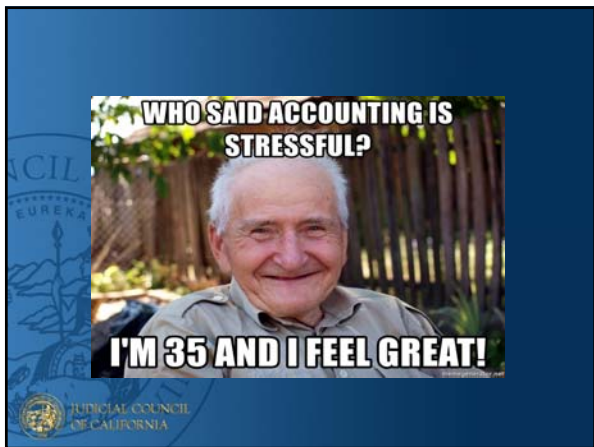




- ### Rolling Time Study (RTS) Tool
- On an annual basis courts will have the option to use:
 - Traditional timekeeping method (100% positive reporting), or
 - Rolling Time Studies
 - With Rolling Time Studies AB1058 court staff will:
 - Track all time working during the one week reporting period
 - Using the specific RTS timesheets (one for CSC program and one for FLF program)
 - Reporting period will be 4 weeks per quarter
 - Data will be extrapolated for the entire quarter to calculate how much time can be billed to the grant








Considerations for Deciding Whether to Use RTS

- Uses same basic timekeeping concept as 100% reporting but for only 4 weeks per quarter
- Designed to be representational...
- Must maintain for entire FY
- More detailed time sheet
- Delay in receiving reimbursements






Rolling Time Study (RTS) – Child Support Commissioner Program
Child Support Commissioner's Office for noncustodial support of children covered by the AB 855 grant

Error Messages
Consistent use of correct codes is essential for accurate reporting. Please refer to the manual for more information on error messages.

Date: _____ Employee Name: _____ County: _____ Job Classification: _____ Full/Part Time: _____

RTS Type Key - Pre: N-D Pre-hearing, R: N-D Hearing, B: N-D Post-hearing, A: N-D Admin, T: Training
General Type Key - G: General Administrative Work, PTO: Paid Time Off, VTO: Voluntary Time Off, OT: Overtime

TIME	Title IV-D Services				Non IV-D Services	G	Time Off			Breaks	OT	Notes	TOTAL Minutes
	Pre	R	B	A			PTO	SICK	VTO				
15													
16													
17													
18													
19													
20													
21													
22													
23													
24													
25													
26													
27													
28													
29													
30													
31													
32													
33													
34													
35													
36													
37													
38													
39													
40													
41													
42													
43													
44													
45													
46													
47													
48													
49													
50													



Modified Payroll Summary Sheet

- Total RTS cells 25 & 27 for all 4 Reporting weeks for each employee

25	Total IV-D Services	960.00	16.00
26			
27	Total Non IV-D Services	1440.00	24.00



70

Modified Payroll Summary Sheet

- For each employee, collect:
 - Total paid hours in Q
 - Total benefit hours used in Q



71

Modified Payroll Summary Sheet

- Insert this data into RTS reporting tool (Tab 1 of PSS)

ROLLING TIME STUDY REPORTING TOOL

INSTRUCTIONS: Input date for columns A - E; columns F & G contain formula generated results. Data will transfer to Payroll Summary Sheet automatically.

Item No.	Name	Total Paid Hours in Q	Benefit Hours Used in Q	RTS IV-D [Cell 25]	RTS Non IV-D [Cell 27]	Program Hours	Non Program Hours
1	John Doe	520	10	100	60	318.75	191.25
2	Jane Doe	520	32	45	115	137.25	350.75
3	Jill Doe	480	0	80	80	240.00	240.00
4	Jack Doe	520	0	120	40	390.00	130.00

RTS Summary Info | Payroll Summary | Payroll Summary Instructions



72

Modified Payroll Summary Sheet

- Insert missing info for columns C, D, E & J

A	B	C	D	E	F	G	H=F+G	I	J	K=H/I	L=F/H
Item No.	Name	Job Title	Gross Wages	Gross Benefits	Program Hours	Non Program Hours	Total Productive Hours	Benefit Hours Used	Excess Leave Adjustment	Total Hours	Allocated program %

73

Modified Payroll Summary Sheet

- Payroll Summary Sheet automatically calculates program, non-program hours, etc.

A	B	C	D	E	F	G	H=F+G	I	J	K=H/I	L=F/H
Item No.	Name	Job Title	Gross Wages	Gross Benefits	Program Hours	Non Program Hours	Total Productive Hours	Benefit Hours Used	Excess Leave Adjustment	Total Hours	Allocated program %
1	John Doe	Clerk	12,500.00	2,500.00	318.75	191.25	510.00	50.00	-	520.00	62.50%
2	Jane Doe	PLF	31,250.00	4,400.00	137.25	350.75	488.00	51.00	-	520.00	28.13%
3	Bill Doe	Attorney	22,500.00	3,800.00	240.00	240.00	480.00	-	-	480.00	50.00%
4	Jack Doe	Paralegal	17,500.00	3,000.00	390.00	130.00	520.00	-	-	520.00	75.00%

74

RTS Summary

- To request reimbursement:
 - Modified Payroll Summary Sheet
 - RTS timesheets for all staff
 - All other grant accounting forms
- Submit w/in 30 days of end of Q
- Other invoices can still be monthly

75

Reimbursement Process

- Court incurs monthly expenses July 1 – July 31
- Court summarizes data and invoices Judicial Council August 20th
- Judicial Council requests advance funding from Grantor for the invoices received by the **cutoff** August 20th
- Grantor transfers funds to State Controller's Office (SCO) In 2-3 weeks
- Judicial Council processes court invoices and creates online vouchers in FI\$Cal August 21st – September 15th



76

Reimbursement Process

- Judicial Council releases vouchers to State Controller's Office (SCO) for audit and approval September 15th
- Judicial Council submits report to Grantor for the actual claims paid September 15th
- SCO send checks to courts September 15th – October 1st (15 days)
- Court receives check October 2nd – 4th (2-3 days)



77

Reimbursement Process

- Audit of claims - Grantor requirement
- Submit claims as early as you can and before the **cutoff day**
- Submit complete and accurate claims
- Correct any discrepancies on the discrepancy notification within **5** business days
- Advance process only applies with Federal funds

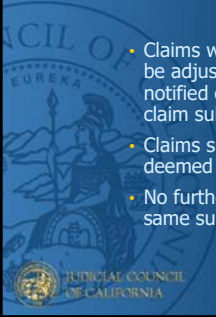


78

Reimbursement Process

Process for Claims with Errors or Omissions

- Claims with simple and obvious errors will be adjusted and processed (Courts are notified of adjustment by email at time of claim submission)
- Claims submitted for payment are deemed complete once received by SCO
- No further payments can be made on the same submitted claim

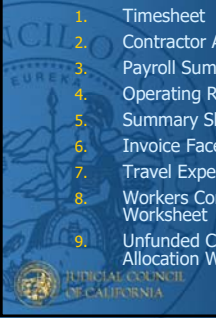


79

AB 1058 Grant Forms

<http://www.courts.ca.gov/cfcc-childsupport.htm>

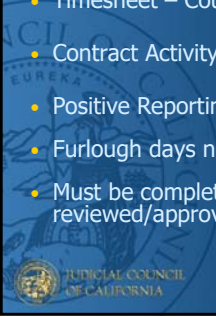
1. Timesheet
2. Contractor Activity Log
3. Payroll Summary Sheet
4. Operating Recap Sheet
5. Summary Sheet
6. Invoice Face Sheet
7. Travel Expense Claim Form
8. Workers Compensation Premium Allocation Worksheet
9. Unfunded CalPERS Retirement Benefit Premium Allocation Worksheet



80

AB 1058 Timesheets

- Timesheet – Court employees (W-2)
- Contract Activity Log – Contractors (1099)
- Positive Reporting- account for 100% of time
- Furlough days not reported on timesheet
- Must be completed and signed by employee; and reviewed/approved by supervisor



81

AB 1058 Payroll Summary Sheet

Employees on Leave with No Reportable Productive Hours

- Employees must have reportable productive hours to be included on Payroll Summary Sheet. Sheet will give an "error message" if there are no reportable hours.
- Employees on approved leave
 - Do not include employees who are on approved leave & have no reportable hours. Hold timesheets for these employees until employee returns and has reportable hours.
 - Upon employee's return, prepare payroll summary sheet for this employee for current month's timesheet that has reportable productive hours and timesheets that were not included.



85

AB 1058 Payroll Summary Sheet

- Salaries & Wages
 - Gross salary for the pay period
 - 100% of time distribution for the pay periods being reported
 - Proportional authorized overtime wages related to Title IV-D matters
- Benefits Types
 - Fringe benefits: social security, employee insurance: life, health, unemployment, workers compensation, pension plan costs, and other similar benefits
 - Paid Leave: vacation, annual leave, sick leave, holidays, court leave, and military leave
 - Cannot bill more leave hours than leave time earned during the program period, July 1 to June 30.



86

Operating Expense Recap Sheet

STATE OF CALIFORNIA COURTS		JUDICIAL COUNCIL OF CALIFORNIA OPERATING EXPENSE RECAP SHEET			
SUPERIOR COURT OF CALIFORNIA, COUNTY OF _____		FISCAL YEAR: 2018-19			
PROGRAM TITLE: _____		BILLING PERIOD: _____			
100% Reimbursable Expenditures					
Vendor Name	Budget Line Item Expense	Invoice #	Check/Warrant #	Date Paid	Amount
Sub Total					\$
Partially Reimbursable Expenditures					
Vendor Name	Budget Line Item Expense	Invoice #	Check/Warrant #	Date Paid	Amount
Sub Total					\$
REMARKS:					
Reimbursable Operating %					%
Total Operating Expenditures**					\$
** Total billable amount = total of 100% Reimbursable Expenditures + Adjusted total of partially Reimbursable Expenditures.					




87

Operating Expenses

100% Reimbursable vs. Partially Reimbursable Expenses


- Federal grant requirements state "if a cost benefits two or more projects or activities...the cost must be allocated to the projects based on the proportional benefits".
- The allocation of costs is a highly audited area of the court's AB 1058 program.
- The Operating Expense Recap Sheet is where you make the determination if the costs only benefits the AB 1058 program or the costs must be allocated between different funding sources. Key question: Does the expense only benefit the AB 1058 program?
- Most court operating expenses benefit more than the AB 1058 program with limited exceptions.
- When in doubt, seek JC program input.



88

Examples: Partial vs. 100% Reimbursable


<u>Partial Reimbursement</u>	<u>100% Reimbursable</u>
• Perimeter Security	• AB 1058 Annual Conference Costs
• Office Supplies	• Travel (IV-D purpose only)
• Equipment	• Leased Facilities <u>solely</u> for IV-D function
• Mixed-use Leased Facilities	
• FLF State Bar Fees	



89

Special Rules for Contract Staff

- Court contract staff may include contract CSC and FLF's, bailiffs, court interpreters and court reporters.
- Contract staff costs are reported as an "operating expense" not as "salaries/benefits".
- Costs claimed to the grant must be based only on actual hours worked in Title IV-D activities.
- Claimed costs must be consistent with the Title IV-D time reported on the Contractor Activity Log that is submitted with invoice to AB 1058 grant accounting.
- Claimed costs must be consistent with the contract terms for compensation.



90

Operating Expenses Requiring AB 1058 Manager Pre-Approval

- Written AB 1058 Program Manager Pre-Approval of Operating Expenses
 - Equipment purchases > \$5,000
 - Facilities and storage leases/rental (also subject to other JC offices co-approval)
 - Any remodeling expenses (subject to federal limitations)
 - Any contracts for Child Support Commissioner or Family Law Facilitator services
 - Temporary "staff" (for example, for any program-related special projects)



91

Special Rules for Selected Operating Expense Items

- Publications
- Membership dues
- Bar/dues donations
- Child Support calculator
- Staff training (program vs. non-program)
- Expenses over \$5k
- Court case management system costs (not allowed)
- Judge salaries/benefits including their staff (not allowed)



92

AB 1058 Summary Recap Sheet

AB 1058 Summary Recap Sheet

JUDICIAL COUNCIL OF CALIFORNIA
SUMMARY SHEET

COURT NAME: _____
PROGRAM TITLE: _____
FISCAL YEAR: 2018-19 REPORTING PERIOD: _____

CATEGORY	BUDGET	EXPENSES	BALANCE
TOTAL PROGRAM EXPENSES			
TOTAL INDIRECT COSTS			
TOTAL AB 1058 EXPENSES			
TOTAL AB 1058 BALANCE			
TOTAL PROGRAM EXPENSES			
TOTAL AB 1058 EXPENSES			
TOTAL AB 1058 BALANCE			
TOTAL AB 1058 EXPENSES			
TOTAL AB 1058 BALANCE			



93

AB 1058 Summary Sheet

Payroll Summary Sheet

Agency	Division	Position	Rate	Hours	Pay	Benefits	Total

AB 1058 Summary Sheet

Agency	Division	Position	Rate	Hours	Pay	Benefits	Total

Operating Recap Sheet

Agency	Division	Position	Rate	Hours	Pay	Benefits	Total

AB 1058 Invoice Face Sheet

AB 1058 Invoice Face Sheet

Travel Expense Claim Form



Workers Compensation Premium Allocation Form



Unfunded CalPERS Retirement Benefit Premium Allocation Worksheet



TEN MOST COMMON ERRORS

1. Not using forms with the current revision date
2. Missing approval signature on forms
3. Expenditures on invoice & summary sheet do not match
4. Incorrect calculation of reimbursable amount on invoice
5. Incorrect YTD expenditures on summary sheet
6. Missing supporting documentation
7. Reallocated funds w/o approved budget revision
8. Addition of line item w/o approved budget revision
9. Shared expenses were not allocated among programs
10. No service agreement with contracted personnel



Administrative and Grants Reporting Requirements



101

Grant Reporting Requirements

- Codes of Federal Regulation
 - CFR Part 45, Subtitle B, Chapter III, Office of Child Support Enforcement (Child Support Enforcement Program)
- 2 CFR - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Contractual Agreement between JCC and the Courts
- Title IV-D (AB 1058) Child Support Commissioner and Family Law Facilitator Program Accounting and Reporting Instructions



102

Grant Reporting Requirements

- Administrative Requirements
 - Financial and Accounting Records
 - Proper supporting documentation
 - Approval and Authorized signature
 - Recommended/Approved Forms
 - Record Retention and Access to Records
 - Access by Grantor & Auditors
 - Retained for 3 years



103

Costs Treatment



104

Direct vs. Indirect Costs

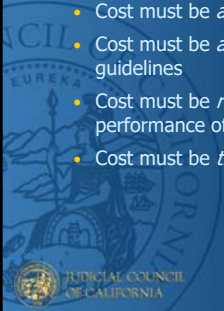
- **Direct Cost** are identified with a particular cost objective
- **Indirect Costs** are incurred for common or joint objectives of an organization and cannot be readily identified with a particular grant program objective



105

Federal Grant Requirements for Direct Cost Billing

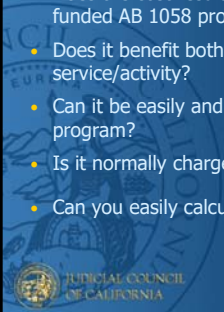
- Cost must be *allocable* to the grant program
- Cost must be *allowable* under federal grant guidelines
- Cost must be *reasonable and necessary* for the performance of the grant program
- Cost must be *treated consistently*



106

Direct/Indirect Determination Questions to Ask

- Does the cost result in a direct benefit to the federally funded AB 1058 program?
- Does it benefit both a AB 1058 and non-AB 1058 court service/activity?
- Can it be easily and accurately traced to the federal program?
- Is it normally charged indirect?
- Can you easily calculate the proportional benefit?



107

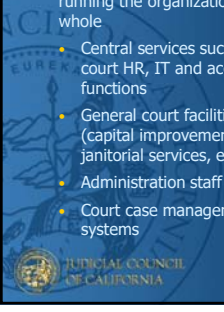
Selected Examples of Direct and Indirect Costs

Indirect costs—costs for running the organization as a whole

- Central services such as court HR, IT and accounting functions
- General court facilities costs (capital improvements, janitorial services, etc.)
- Administration staff salaries
- Court case management systems

Direct Costs

- Grant-related direct labor costs
- Materials, supplies and equipment supporting grant-related activity
- Specific grant-related training/travel
- Personal service contract costs directly serving grant



108

Costs Allowability Requirements

- Allocable
- Necessary and Reasonable
- Treated Consistently
- Determined according to GAAP
- Net of applicable credits
- Not used for cost sharing/matching on another federal award
- Adequately documented
- Authorized under state/local laws & regulations
- Conforms to limits & exclusions in costs principles, federal laws and award contracts
- Consistent with recipient policies for federally and non-federally funded activities



109

Costs Allocability

- Must meet these criteria:
 - Incurred specifically for the program's benefit or
 - Benefits both program and non program and can be readily distributed in reasonable proportion to benefits received
 - And reasonable and necessary to program's overall operation



110

Methods of Allocation

- Basic allocation methodology is application of the court's operating percentage rate.
- Professional Services Contract costs are allocated based on actual time worked on grant activities x contract term for compensation.
- Alternative allocation methods require the court to submit an allocation plan with the invoice to grant accounting and retain documentation for audit purposes.




111

Unallowable Expenses

Include but not limited to:


- Sell-back, Cash out, unproductive time charges, workers compensation benefits, etc.
- Furlough Reporting
- Post employment benefits
 - Retirement benefits
 - Medical benefits
 - Unemployment benefits
- See AB 1058 Grant Manual for more detail



112

Unallowable Expenses/ Selected Resources


- 2 CFR 200.420-200.475 (General Provisions for Selected Items of Costs)
- 45 Code of Federal Regulations (CFR) 304.21-304.29 (Includes limits on reimbursable costs of courts in Title IV-D matters)
- AB 1058 Grant Accounting Manual
- Note: the more specific rule controls over the more general rule. *Above bullets are in order from most general to specific.*
 - Example: Staff training



113

Note:

A cost which is allocable to an award isn't necessarily allowable or reasonable



114


Request for Program Modifications and Enhancements



115

Program versus Finance

Program	Finance
<ul style="list-style-type: none"> • Key Personnel changes • Facility changes: lease and relocation • Funding level changes • STARS database reporting • Accounting Forms review • Budget modifications • Reimbursement inquiries (authorization and program impacts) 	<ul style="list-style-type: none"> • Budget modifications • Finance reporting inquiries • Accounting Forms • Leave charges: buy backs and cash outs • Reimbursement inquiries (process)



116

Grant Discrepancy Processing

- Standardized Communications
 - Consistent Message
 - Response Cycle
 - Claim Adjustment Treatment
- Standardized Form
 - Description of Deficiency
 - Required Action
- Survey



117

Grant Discrepancy Processing

Standardized Communication

Your claim as described above in the subject line requires additional documentation and correction. These additional documents and corrections are described on the attached Discrepancy Notification Form.

Because of the advance payment cycle time required by the Grantor, we must receive your documentation and correction within 5 days of this email. Should you be unable to provide documentation and corrections within the prescribed 5 days, you may resubmit with proper requirements with your next reimbursement request. Your reimbursement request, per the Grantor, must be reduced for any missing documentation or errors to qualify for the advance payment processing. Payments to your court will be affected if we do not receive the documentation.

This determination has been reviewed by both the Judicial Council Grant Accounting and AB1058 Program Management Staff.

Should you have any question please contact me or, Michelle Lim, Supervisor at (415) 865-7928 or michelle.lim@jud.ca.gov or Anna Maves, Program Manager at (916) 263-8624 or anna.maves@jud.ca.gov

 **JUDICIAL COUNCIL OF CALIFORNIA**
Best Regards,

118

Grant Discrepancy Processing

- Standardized Communications

**JUDICIAL COUNCIL OF CALIFORNIA
GRANT ACCOUNTING / PROGRAM MANAGEMENT**


SUPERIOR COURT OF CALIFORNIA, COUNTY OF _____ CONTRACT NUMBER: _____
BILLING PERIOD: _____ FISCAL YEAR: 018-19 DATE: _____

Your claim as describe above requires the following items as identified, documentation, corrections, or adjustments to process for payment. The determination has been reviewed by Judicial Council Grant Accounting and AB 1058 Program Management staff. To include the claim in the current payment cycle, documentation and/or corrections must be received by DISCRET DATE. Otherwise, adjustments will be made and the reduced claim will be processed for payment.

PLEASE KEEP A COPY OF THIS NOTIFICATION TO RESOLVE FUTURE INQUIRIES

ITEM	DESCREPANCY	REQUIRED
INVOICE: Signature, Contract Number, or Certification		_____
Payroll, Operating Expenses, or Indirect Costs		_____
Total Expenditures or Federal Share		_____
Other		_____
SUMMARY SHEET: Summary Sheet Missing		_____

(FORM CONTINUES.....)

 **JUDICIAL COUNCIL OF CALIFORNIA**

119

MA29

Contact Information:

<p>Anna Maves Program Manager Center for Families, Children & the Courts Phone: (916) 263-8624 Email: anna.maves@jud.ca.gov</p>	<p>Shaheen Abutaha Grant Accountant Finance, Grant Accounting Unit Phone: (415) 865-8958 E-mail: abutaha.shaheen@jud.ca.gov</p>
<p>Michelle Lim Fiscal Supervisor Finance, Grant Accounting Unit Phone: (415) 865-7928 E-mail: michelle.lim@jud.ca.gov</p>	

 **JUDICIAL COUNCIL OF CALIFORNIA**

120