

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



April 3, 2009

LCSA LETTER: 09-06

ALL IV-D DIRECTORS

SUBJECT: ALLOWABLE COSTS FOR THE CHILD SUPPORT PROGRAM

Department of Child Support Services has created a document outlining allowable costs for the child support program per Office of Management and Budget (OMB) A-87. This list is not all encompassing but it can be used as a guide and does provide references to specific sections in the federal OMB Circular A-87 and the Child Support Program specific federal regulations which can be reviewed for more detailed information.

Attachment I provides the lists of costs.

Attachment II lists the LCSA Budget Section Analysts and their contact information.

If you have questions or concerns regarding the data entry or claiming process, please contact your LCSA Budget Section Analyst or Justina Gould at (916) 464-5015.

Sincerely,

/os/

MARK BECKLEY
Deputy Director
Administrative Services Division

Attachments

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

Allowable Costs Department of Child Support Services

In determining the reasonableness, allow ability, and allocability of costs or activities for federal financial participation, staff should review grant agreements, program laws and regulations, and applicable cost principles (which for costs of a State, local or Indian tribal government, the principles in Office of Management Budget (OMB) A-87 are to be used).

The lists below are not complete, but are a guide to determining whether a cost is allowable or not. If the cost in question is not addressed in these lists, staff should refer to the OMB A-87, program laws and regulations, and grant agreements.

Allowable Costs per OMB A-87

The following is a summary of items discussed in OMB A-87, and does not comprise a complete list of allowable and unallowable costs. The entire document should be referred to when determining if a cost is allowable. Further, consideration should be given to the reasonableness of the cost, which is discussed in section 834. Additionally, all applicable credits, discussed in section 834, should be considered in the expenses of items allocable to Federal awards.

Allowable	Unallowable
<p><u>Section 834</u></p> <ul style="list-style-type: none"> • Necessary and reasonable for proper and efficient performance and administration of Federal awards • Allocable to Federal awards under the provisions of A-87 • Authorized or not prohibited under State or local laws or regulations • Conform to any limitations or exclusions set forth in A-87, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items • Consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit • In accordance with generally accepted accounting principals 	<p><u>Section 839 A</u></p> <ul style="list-style-type: none"> • Alcoholic beverages • Bad debts • Contingencies • Contributions and donations • Defense and prosecution of criminal and civil proceedings • Entertainment • Fines and penalties • Fund raising and investment management costs • General government expenses • Idle facilities and idle capacity unless necessary to meet fluctuations of workload • Interest • Lobbying • Underrecovery of costs under Federal agreements

Attachment I

Allowable	Unallowable
<ul style="list-style-type: none"> • Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or prior period, except as specifically provided by Federal law or regulation • The net of all applicable credits <p><u>Section 836</u></p> <ul style="list-style-type: none"> • Compensation of employees • Cost of materials • Equipment and other approved capital expenditures • Travel expenses <p><u>Section 838</u></p> <ul style="list-style-type: none"> • Interagency service costs <p><u>Section 839 A</u></p> <ul style="list-style-type: none"> • Accounting (839 A) • Advertising and public relations to meet the requirements of the public award • Advisory councils • Audits performed under Single Audit Act standards • Automatic electronic data processing • Bonding costs for employees and officials in accordance with sound business practices • Budgeting • Communications • Personnel services and fringe benefits • Disbursing services • Employee morale, health, and welfare costs • Insurance and indemnification • Maintenance, operation, and repairs • Materials and supplies • Membership, subscriptions, and professional activities • Motor pools • Pre-award costs if allowable had they been incurred after date of award • Professional service costs • Proposal costs 	

Attachment I

Allowable	Unallowable
<ul style="list-style-type: none">• Publication and printing costs• Rearrangement and alteration of facilities• Rental costs• Reconversion costs• Rental costs if reasonable• Taxes• Training• Travel costs	

Attachment I

Allowable Costs per Program (Code of Federal Regulations Title 45, Chapter III)

The following is a summary of items discussed in 45 CFR Ch. III, and does not comprise a complete list of allowable federal financial participation. The entire document should be referred to when determining if a cost is allowable for Child Support Enforcement Programs.

Allowable	Unallowable
<p><u>Section 304.20</u></p> <ul style="list-style-type: none"> • Necessary for the support enforcement services and activities • Parent locator services • Paternity and support services • Pursuant to approved State Plan • Establishment and administration of the State Plan • Monitoring the progress of program development and operations • Establishment of agreements with other State and local agencies • Development and maintenance of systems for fiscal and program records and reports • Development of a cost allocation system • Financial control of the State Plan • Establishment of agreements with agencies administering IV-A and IV-E plans • Establishment of agreements with Medicaid agencies • Establishment of paternity • Establishment and enforcement of support obligations • Collection and distribution of support payments • Establishment and operation of a State parent locator service • Activities related to requests for certification of collection of support delinquencies by the Secretary of the Treasury • Activities related to requests for utilization of the U.S. district courts • Establishing and maintaining case records 	<p><u>Section 304.23</u></p> <ul style="list-style-type: none"> • Activities related to administering title I, IV-A, X, XIV, XVI, XIX, or XX • Construction and major renovations • Education and training programs except direct cost of short term training provided IV-D agency staff • Expenditures that have been reimbursed by fees collected • Jailing of parents • Costs of counsel for indigent defendants in IV-D actions • Costs of guardians ad item in IV-D actions