**Welfare-Related County Advance Planning Document (APD)**

**Cost Allocation and Guidelines**

# Purpose

Federal and State regulations require a defined cost allocation methodology when submitting Advance Planning Documents (APDs) and that all costs are distributed (allocated) correctly to benefiting programs through the application of this defined methodology.

The purpose of the County APD Cost Allocation process is to provide counties with a means of certifying the cost allocation methodology they will use for APDs submitted to the State for review and approval. This process also certifies that counties will adhere to their defined cost allocation methodology.

The County APD Cost Allocation process will allow counties to submit APDs to the State with minimal documentation of the cost allocation methodology. The County Cost Allocation may only be used if the limitations specified in this document are met.

# Limitations

(1). Requests for which the benefiting programs are Non-SAWS welfare-related, (e.g. CalWORKS, SNAP, Medi-Cal, Refugees, etc.) the following applies:

* Welfare related federal threshold is $5 Million for each project or any projects for which there is a $1 Million or more sole source.
* County for Cost allocations is allowable for all requests under the federal threshold.
* The cost allocation will be reviewed by OSI welfare approvals staff for completeness. OSI welfare approvals staff may determine that CDSS Fiscal needs to review.

(2). does not apply for requests for which the benefiting programs are welfare-related as defined above, and also include CWS as a benefiting program.

* The counties must provide a complete cost allocation that includes:
	+ The identification of the benefiting programs and method and justification for determining benefiting programs.
	+ The identification of the percentages charged to each benefiting program as well as the method and justification for those percentages.

(3). Requests for which the items/services are centrally provided by an agency or department and the request benefits multiple programs within that agency or department consistent with CDSS / DHS program areas, regardless of the amount, the following applies:

* The counties must provide a complete cost allocation that includes:
* The identification of the benefiting programs and method and justification for determining benefiting programs.
* The identification of the percentages charged to each benefiting program as well as the method and justification for those percentages.

(4). Requests for which the items/services are centrally provided by an agency or department and the request benefits multiple programs within that agency or department consistent with CDSS / DHS program areas **and includes programs not within CDSS / DHS purview**, regardless of amount, the following applies:

* The counties must provide a complete cost allocation that includes:
	+ The identification of the benefiting programs and method and justification for determining benefiting programs.
	+ The identification of the percentages charged to each benefiting program as well as the method and justification for those percentages.

(5). Requests in which the items/service is only provided by central services at the county level (e.g. County Central Data Processing Services) the following applies:

* Cost allocation for billing rates must be approved by the State Controller’s Office. This includes all contracts the County Central Data Processing

 Organization uses to provide services. If the Central Service Organization bills a county agency or department directly for services, the direct billed methodology must be identified in Section II of the countywide cost allocation plan approved by the State Controllers Office.

(6). For requests that are deemed Generic, defined as administrative costs that indirectly benefit all programs (regardless of whether the items/services are provided at the county or agency/department level), the following applies:

* The county states that the Generic Allocation is utilized and why.
* The cost allocation will be reviewed by OSI welfare approvals staff for completeness.

# APD Submission Requirements Using

When using the County APD Cost Allocation, counties must provide a narrative description of the cost allocation methodology and justification. In determining the appropriate cost allocation methodology, counties shall continue to follow state and federal regulations for Cost Allocation as outlined below.

The Cost Allocation is a combination of two components; the benefiting programs and the method to allocate costs to those benefiting programs.

Benefiting Programs

Benefiting Programs are a key component for the correct cost allocation. The counties must identify all the programs that benefit from this project. In determining the benefiting programs and developing the Cost Allocation Plan (CAP) the County must certify that they have accurately determined the benefiting programs. Questions such as:

(1). Who in the organization is requesting the project?

(2) Who is the project for?

(3) What activities will it support?

(4) Who will use it?

(5) What business process does it support?

need to be asked and answered as well as others the counties may deem appropriate in order for the county to accurately determine programs benefiting from the project.

Cost Allocation Methodology

The certification also requires the counties to ensure that they have used the appropriate cost allocation methodologies. County also requires the counties to have addressed the following questions as they determine the appropriate cost allocation methodology for the requested project.

(1) What cost allocation methodology (time studies, caseload) will best represent benefiting programs identified earlier?

(2) Is the cost allocation methodology to be used consistent with the project, the business process it will support, who is using the outcome of the project?

(3) Is the proposed allocation methodology in conformance with OMB A-87 and the CWD CAP?

(4) The project does not involve CWS/CMS costs as it doesn’t benefit that program. If the welfare-related project does benefit CWS/CMS, provide a full cost allocation explanation as depicted in the Cost Allocation requirements for CWS/CMS.

# Statement of Certification

In signing this form, the county representative is certifying that:

# all conditions for using the County APD Cost Allocation process have been met

# the cost allocation is in conformance with OMB A-87 and the State’s approved CWD Cost Allocation Plan

# the appropriate analysis has occurred including addressing the questions herein

# the county has taken responsibility for the accurate cost allocation methodology

* the county will maintain all documents and records associated with the County Cost Allocation process for a period of time sufficient to meet future audit requirements.

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Printed Name of County Representative

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Signature of County Representative

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Position or Title of county Representative

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Date