

Webinar Series
CCWIS Cost Allocation Part 1
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Operator: Welcome and thank you for standing by. At this time all participants are in a listen-only mode until the question and answer session. At that time to ask a question, you may press star one. Today's conference is being recorded. If you have objections, you may disconnect at this time. And now I turn today's meeting over to Lori Partin. Thank you, you may begin.

Lori Partin: Thank you. Welcome to the Children's Bureau's first webinar on the Comprehensive Child Welfare Information System, Technical Bulletin #5: CCWIS Cost Allocation.

 We will have Part 2 of this webinar on Tuesday, March 12th, at this same time – beginning at 1:30 pm Eastern Daylight Time. You should have received notice of this via email today.

 On the control panel on the right side of your screen you can download a copy of the technical bulletin as well as a copy of the slide deck we are using for this presentation. If you don't see the control panel, click on the orange arrow to display it.

At the end of the presentation we will take questions. At that time, we will open up the phone line, or, if you prefer, you may type questions into the chat window in the control panel.

Next slide, please.

Our presenters include myself, Lori Partin, from the Children's Bureau Division of States Systems, David Baker, contract support for the division, and Bill Meltzer from the Division of Program Implementation.

Because cost allocation can be a challenging topic, we have also asked a group of experts to assist with questions at the conclusion of the webinar.

This includes Terry Watt, the director of the Division of State Systems as well as fiscal and grants management experts Janice Davis Caldwell, Cora Coleman, and Janet Turner.

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Before we begin, we want to set the scope of the two-part webinar series.

First off, we want to clarify that we are using the generic term "cost allocation plan" or CAP throughout the presentation rather than specific terms for different types of cost allocation plans. We are doing this because the principles we are discussing are applicable to all the different types of cost allocation plans, so it's easier to refer to them all with one term.

But, you may be more familiar with the other terms for CAPS, such as the CAM – for cost allocation methodology. This is the name of the plan that states how to describe – excuse me, this is the name of the plan that submits how you plan to allocate information system development costs. A Public Assistance Cost Allocation Plan, or PACAP, is the state plan for allocating operational costs. PACAP is submitted to Cost Allocation Services.

Tribes also submit plans for information system development and operational cost allocation. These are called respectively the development CAM and operational CAM. A Cost Allocation

Methodology, or CAM, is also the term used for a tribal plan to allocate costs to title IV-E programs.

And while the IV-E agencies submit their CAM or development CAM to ACF in the APD, the operational costs for the CCWIS Project are included as a portion of the comprehensive PACAP/title IV-E CAM each agency prepares.

In this presentation, we are only focusing on the cost allocation rules that apply to CCWIS projects. So your agency will not follow the CCWIS rules when developing the other portions of their PACAP or operational CAM.

We note that you may have more than one CCWIS project. If, for example, your agency uses a transitional CCWIS while a new CCWIS is under development, the agency will need to create cost allocation plans for both systems – so the steps we will go over in these two webinars will need to be repeated for each CCWIS project.

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During this call we will cover the following topics.

We will start with a quick overview of cost allocation and what is in the technical bulletin, and then move on to an example of developing a cost allocation plan and applying it to your costs.

In this first webinar, we will demonstrate how to develop the Automated Functions Checklist that is a key input into the development of your cost allocation plans. We will continue with the example in our Part II webinar.

However, since the reporting of the IV-E agency's Foster Care program costs on the revised CB-496 for the first quarter of federal fiscal year 2019, that is October – December of 2018, are due by March 1st, we wanted to provide guidance now, since we are so close to that deadline.

And at the end, we will summarize key points, provide detailed resources to go to for more information, and take questions.

Next slide, please.

Although cost allocation is familiar to many of you, we understand we have listeners for whom “cost allocation” may be a little foreign, like other financial terms such as accrual, invoicing, offsets, and claiming. So we want to take a moment – and a few slides – to provide a quick overview of the term and concept.

Although cost allocation has wide applications, we are going to focus on how it affects CCWIS. Cost allocation is important because it helps states and tribes determine who pays for the CCWIS.

On the most basic level, the answer to the question of “who pays for CCWIS?” is “The programs that benefit from the CCWIS.” You can think about the benefits from a number of perspectives, such as the different clients that are tracked in the system or whose cases are managed by the system, the services that are authorized and tracked, or if the system is used by workers of a certain program like child welfare or Medicaid.

But no matter how you identify the programs that benefit from CCWIS, once you have identified them the next question is “How much should each of these programs pay?” That is determined by the amount of benefits each program receives from the system – the proportion or percentage of the total benefits the system provides that can be assigned to each system. We want to note there is an exception to this “pay based on proportional benefits” principle. That is the “primary program approach” and it applies to CCWIS. We will explain that in detail and demonstrate it with an example.

And that leads to the next question: “How does agency – how does the agency determine what those proportions or percentages are?” And the question is, excuse me, and the answer is: by developing cost allocation methodologies and a cost allocation plan.

That is what we will focus on in this presentation – providing an overview of the process to develop a cost allocation plan.

We will hit the highlights. More details are covered in the technical bulletin we sent out with the webinar announcement, which is the same TB that is available as a download in the Control Panel.

As we mentioned at the beginning of the presentation, you can also download the technical bulletin and this slide deck in the Control Panel under “Handouts” on the right side of your screen.

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Terry Watt: We already did.

Lori Partin: Oh, already on next slide.
Developing accurate, reasonable, and allocable cost allocation methodologies and a resulting plan is necessary before you can claim any reimbursement from ACF programs.

To illustrate this claiming process and show you how the budget and cost allocation plan fit into the process of claiming IV-E federal financial participation, or FFP, we are starting with a simplified summary of system project costs that the agency will allocate to different benefiting programs.

We note that the numbers are made up for this example. We are using nice round numbers to make it easy to track the steps, so in our example, we have system project costs of \$10 million.

Next slide, please.

In our sample budget, we are showing the costs of four project activities: The intake module, case management, the data exchanges, and data quality tasks. These activities and the estimated budget for your CCWIS project would have been reported in your APD. We are listing the costs of each module, which total to \$10 million.

If this were a real project, we assume you would have many more tasks than these few four reported on your APD.

Next slide, please.

Next, we show a sample cost allocation methodology for this project. The arrow indicates that the system project costs will be “processed through” the cost allocation plan. At this point we are not discussing how these costs were allocated to reach these percentages.

Note that the percentages listed here – 35, 15, 10 and 40 total to 100%. In other words, your cost allocation plan must account for the allocation of all project costs and related activities.

We have received plans where the total is not 100%, likely because folks are focusing so closely on allocating costs to each program individually that they forget to step back and confirm that the allocated costs total to 100%. So, just a friendly reminder to do that check.

Terry Watt: It's loaded already.

Lori Partin: Okay. We should be on slide.... Okay.

In our example, we are using a system that benefits, or supports, multiple federal programs. So this is a project to build a system that, in addition to benefitting child welfare, benefits other programs.

In this example, 35% of the system supports child welfare programs such as foster care, adoption assistance, prevention services, Chafee program services, the kinship navigator program, guardianship and title IV-B programs, and 15% supports the child support program. And, to keep it simple, we are assigning 10% to any other federal programs that may participate (such as CMS and FNS) and 40% to state human services programs (this may be juvenile justice, adult protective services, or other health and human service initiatives). Again, we are taking some liberties here and are not discussing how these percentages were derived.

By the way, if you are uncertain if your system is a stand-alone system or an enterprise/multiple program system (like this example), it helps to recall what federal programs are funding the project. If the funding is limited to titles IV-B, and IV-E, the APD is only submitted to the Children's Bureau, for instance, your system is a stand-alone CCWIS. If your system is funded by other federal programs, in addition to title IV-B and IV-E, your system is most likely an enterprise or multiple program system.

As you see on this slide, we start to apply percentages in the overall systems cost allocation plan to the total project costs to determine the share allocated to each program.

So, for the child welfare category (which can include a number of programs), since the overall system cost allocation plan allocates 35% to child welfare, we take 35% of the 10 million project costs, excuse me, we take 35% of the \$10 million project costs, which results in 3.5 million of the project costs being allocated to child welfare.

Continuing the example, the overall system's cost allocation plan specifies that 15% of the costs go to child support.

10% of the remaining costs are allocated to the other federal programs and 40% to state programs. Now, if there are other federal and state programs, the cost allocation would specify the percentages allocated to each of these programs. We aggregated them in this example for simplicity.

To re-cap:

This example shows how the system overall project costs and the cost allocation plan are related to each other: The cost allocation plan provides the basis for assigning costs to different buckets or programs.

The second main point of this example is to demonstrate the basic cost allocation principle – development costs are allocated based on the level of effort to build the component that benefits each program receives; in other words, if the child welfare program receives 35% of the benefits according to the cost allocation plan, then 35% of the costs are assigned to that program.

However, in this example we did not, again, we did not discuss how the cost allocation plan was derived.

But there are circumstances, and CCWIS is one of those, that we may diverge from the general cost allocation principle of each program paying for the benefits it receives.

CCWIS is an exception to the general rule. Under CCWIS, within certain circumstances, the IV-E foster care program picks up costs that benefit other IV-E and non-IV-E programs.

These CCWIS rules only apply to certain "child welfare costs." So we are going to focus on only the child welfare costs for the remainder of the

presentation, as these are the only costs that may benefit from this more favorable CCWIS cost allocation rule.

But this slide helps us make a point about the multiple program or enterprise systems, like the one we used here. Notice that there is an overall system-wide cost allocation plan that covers all programs.

But after this is done, and we know the portion that is child welfare related, we will develop another cost allocation plan specifically to allocate those costs we have circled in red.

Developing a cost allocation plan for your CCWIS is the focus on the technical bulletin and in this presentation.

Next slide, please.

At this point, we will provide a brief overview of the technical bulletin, before focusing the remainder of the presentation on a few key points covered in the TB.

First, the Cost Allocation Technical Bulletin was distributed in its final form in November of last year. We sent out a draft version in May 2018 to states, tribes, and other federal staff. The final version sent out in November has important updates, including a new section on developing a cost allocation plan applicable to operational costs. This is the same version that we sent with the invitation for this webinar, which is also included as a handout. And it is also posted on the Children's Bureau's website at the link you see on this slide.

Developing a cost allocation plan and applying it to project costs touches on many disciplines and involves staff with different responsibilities and expertise. This is a task that requires the input, knowledge, and perspective of a wide variety of staff. Here we list the staff that should be involved in developing a cost allocation plan; this is not something fiscal staff can do in isolation. They will need input from IT staff, CCWIS project management, and the child welfare program experts to develop a comprehensive and accurate cost allocation plan. Each has a role to play. So we encourage these staff to team up on this process.

If you have had a chance to review the TB, you know that the development of the Automated Function Checklist is key. The checklist helps you analyze your CCWIS project and determine which functions qualify for CCWIS cost allocation or non-CCWIS cost allocation. We will spend some time stepping through the checklist.

Next slide, please.

The TB provides guidance on a variety of cost allocation topics.

For example, there are different rules you follow when allocating costs using a CCWIS cost allocation approach versus a non-CCWIS cost allocation approach.

And there are different types of CCWIS cost allocation plans. Agencies submit one cost allocation plan for project development costs and a separate plan for the costs once the system is operational, which is included in a PACAP (for states) or IV-E CAM (for tribes).

The TB separately discusses the steps you follow to build your development CAP and your operational CAP. In the interest of time, we will focus our discussion on the creation of a CCWIS development CAP and applying that plan to your project costs. The process for the operational cost allocation plan is similar (and does not differ much from what was done in SACWIS), so we will not review it. But you can review those detailed steps in the TB.

We have already made reference to a CAP for an enterprise/multiple program system, and a stand-alone system, and this is referenced in the CAP, excuse me, and this is referenced in the TB as well.

The main point, once again, is that if you have an enterprise/multiple program system (this would be a system that also supports programs such as Medicaid, child support, or food and nutrition), your agency must do, must first do a system-wide cost allocation plan to identify and separate out the child welfare systems costs for further analysis to develop the CCWIS cost allocation plans for development and operations.

But, if your CCWIS is a stand-alone system, benefitting only child welfare programs, you skip this preliminary step of developing a cost allocation

plan to identify and separate out the CCWIS portions. For a stand-alone system, the CCWIS cost allocation is the system-wide cost allocation.

The TB also discusses when agencies must submit a new or amended CAP, the different submission procedures followed for development and operational CAPs, as well as the variation between state and tribal submissions.

We will discuss the key points of these topics. The details are in the TB. But, if you have any questions, please type them in the chat window or ask us at the end of the presentation.

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Having just mentioned on the previous slide CCWIS vs. non-CCWIS cost allocation, we want to take a moment to clear up some possible confusion when using CCWIS and non-CCWIS because it can refer to different things.

As we just mentioned there is CCWIS cost allocation, which refers to a more favorable cost allocation called the “primary program approach,” and non-CCWIS cost allocation, which follows the general rules of allocating costs to benefitting programs. We will get into the differences between these two approaches on the next slide.

But we also want to talk about CCWIS and non-CCWIS projects. Without getting into the regulatory nuances, CCWIS projects are information systems projects that meet CCWIS requirements. And a non-CCWIS project is one that does not meet every CCWIS requirement.

CCWIS projects may get both CCWIS and non-CCWIS cost allocation. While it is possible that a CCWIS project only uses CCWIS cost allocation, many CCWIS projects may partially qualify for CCWIS cost allocation and the rest gets non-CCWIS cost allocation.

This analysis to determine what part of a CCWIS gets what type of cost allocation is the key to developing the cost allocation plans for your CCWIS.

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Having clarified our terminology, this slide provides an overview for generally allocating CCWIS project costs. It provides guidance for allocating CCWIS development and operational costs using either the CCWIS or the non-CCWIS cost allocation approach.

If you are familiar with SACWIS cost allocation, the CCWIS cost allocation, the CCWIS cost allocation approach applies the same rules that were followed under SACWIS, so the process is largely the same: the cost allocation rules are the same; what is different is there are now more title IV-E programs involved in the cost allocation process. In other words, in certain cases, especially for CCWIS project costs where the non-CCWIS cost allocation approach is applicable, you may have to allocate costs amongst more title IV-E and non-title IV-E programs.

Because we have limited time, we are not going to further review this guidance now. However, if you have any questions about this, please ask us at the end of this presentation. You may also take the time to review this later and then ask questions at the conclusion of our Part II presentation that we are giving a few weeks from now.

Next slide, please.

Development can be thought of as building the system and all the activities that go into that. It includes the activities listed in this definition from the APD regulations. We want to be clear that this includes system design and implementation activities such as designing the user interface, setting up report formats, establishing user groups, and product installation and initial configuration and training users.

Development activities may, depending on factors documented on the automated function list, receive CCWIS cost allocation or non-CCWIS cost allocation.

Planning is considered a key step of building a system so it is a development activity.

To avoid confusion, we recommend that you work with your federal analyst to be certain that you have appropriately identified development activities on your APD and in your development CAP.

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You can think of operations as the cost to operate the system. For a CCWIS project, Operational activities, like development activities, may end up qualifying for either CCWIS or non-CCWIS cost allocation.

And, as we said before, it is a good idea to confirm the classification of activities as operational if you are uncertain.

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Maintenance activities are allocated using the operational cost allocation plan. You can think of maintenance as routine changes to your system – or as spelled out in, or as spelled out in the definition: corrective, adaptive and perfective changes.

Sometimes it is difficult to decide if an enhancement is minor enough to be classified as maintenance or if it is substantial enough that it is considered new development.

So, once again, if you have any questions, please consult with your federal analyst.

You can find more information about development, operations, and maintenance in our APD 101 presentation available on the Children's Bureau website. We have a link to this presentation on a later slide.

Having completed the overview, I am handing the presentation off to David to walk us through completing the automated function checklist.

Next slide, please.

David Baker:

Thank you Lori. Before we begin, I want to point out an oversight of mine. I did not provide the Technical Bulletin as a handout. However, it is listed on the resource pages of the presentation at the end. But I apologize, I had not included it in the packet. But it is, it is on the webpage you will see through the link.

As described in TB, accurately completing the optional Automated Function Checklist (or a checklist of your own design) is key to determining the development and operational cost allocation plans for

your CCWIS project. And every CCWIS project will have a separate Automated Function Checklist and cost allocation approaches.

The checklist is key to the process because you need to refer to it in many of the steps that are outlined in the Technical Bulletin to develop cost allocation plans meeting CCWIS requirements. Therefore, it is important to do this analysis carefully.

The automated function checklist will help you answer three critical questions. One. It will help you determine if your system is a CCWIS. This is important because if your system does not meet key CCWIS requirements, it cannot qualify for CCWIS cost allocation. Number two. It will help you identify which automated functions are part of the CCWIS. This is especially important if your system is a multiple program system. In a multiple program system, it is very likely that some portions of the system support other programs rather than the child welfare program. These automated functions will not qualify for any title IV-E reimbursement, either through CCWIS or non-CCWIS cost allocation. Number three. And then after you have used the checklist to identify the automated functions that are part of your CCWIS, the list will identify those that qualify for CCWIS cost allocation and those that qualify for non-CCWIS cost allocation.

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When developing your automated function checklist, the first thing to do is to list the automated functions. Now, this may sound straight forward, but it is easy to either over look something that should be on the list, or to mistakenly include something that should not be on the list.

You want to make sure to include all automated functions of the system on the Checklist. This is pretty straightforward if you have a stand-alone system. You list all the automated functions. But, if you have a multiple program or an enterprise system you must include all the automated functions of the entire project, even those automated functions that do not support your child welfare programs. So, for example, if your enterprise system supports the SNAP program and there are portions of the system only used by the SNAP program, you still list those automated functions on the checklist. It is easy, easy to forget this as agencies think that because it is a CCWIS requirement, only child welfare functions are

listed. But once again, you list all automated functions of the entire system on the list.

One good check to make sure you've included everything you should is to review the functionality described in your APD. All the system functionality should be included in the automated function checklist. However, you don't need to list each function described in the APD on a separate line of the checklist. You can group related components together and report the group as one automated function on the checklist. For example, you could group a component to record and track client goals, with a second component to manage case plan forms, and a third component to report outcomes and then report the group as, as the case management automated function. We have issued a technical bulletin describing this approach and we provide a link to this technical bulletin at the end.

Also, be sure to include all data exchanges; they are automated functions.

And if you have proposed, and ACF has approved, optional automated functions or data exchanges, include those in the checklist. And those should be in your APD as well.

A CCWIS web portal or a CCWIS mobile app is also part of the CCWIS project provided it directly accesses CCWIS data, so if you have one of those, include those on the list.

And if your CCWIS will include components that are vendor supplied COTS products, such as, such as a module from one vendor to process intake reports and another module from another company for case management, be sure to list those as well.

As a reminder, please be sure to check with your federal analyst if you have questions on completing the checklist.

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But on the other hand, do not include automated functions that are not part of the CCWIS project. For example, you would not include systems,

or any components of systems belonging to child welfare contributing agencies.

Likewise, the same is true of external systems used by agency staff to collect CCWIS data. For instance, if you have a system, such as a separate assessment tool, or a different licensing system that is not part of your CCWIS, you would not include that.

And if you have other external systems, such as a child support or, such as child support or Medicaid that you have a data exchange with, do not include the automated functions contained in those external systems (although you will include the data exchanges you have between CCWIS and those systems). However, as noted on a previous slide, if child support or Medicaid were part of the same enterprise system as CCWIS, then you would list those automated functions on the checklist.

Next slide, please.

For this presentation, we will walk through an example of cost allocation for a stand-alone CCWIS. This example will look familiar to you if you have reviewed the technical bulletin.

On this slide, we have a partial Automated Function Checklist for a stand-alone CCWIS. For simplicity, we have listed just the first page of the checklist with ten automated functions.

We note that this is the optional template ACF has provided in an information memorandum listed at the end of this presentation. Although all agencies implementing a CCWIS project are required to submit the information presented in the template, agencies may design their own automated function checklist.

We also want to remind you that if your agency has more than one project, such as a transitional CCWIS that is being used while a new CCWIS is being designed and built, you will need to develop cost allocation plans for each system. This means that for each system, you will go through the exercise of developing an automated function checklist.

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After you have listed all automated functions of your system – whether it is a stand-alone system or a multiple program system – the next step is to review the automated functions to determine which functions comply with the CCWIS design requirements. These are the requirements listed in 1355.53. In other words, is each function: 1) modularly designed, 2) documented in plain language, 3) following a defined standard or standards and 4) capable of being reused?

If a function does not meet one or more of these requirements, is that automated function exempt because it is either part of a S/TACWIS or non-S/TACWIS transitioning to CCWIS or because the agency has a more efficient, economic, or effective design? With such an exemption, an automated function complies with the CCWIS design requirements.

However, if there is an automated function that does not comply with the design requirements and it is not exempt, your system is not a CCWIS project and none of it can get CCWIS cost allocation. For example, if a foster care placement component was not modularly designed or it was not documented in plain language, and is not exempt, the child welfare information system would be classified as non-CCWIS.

Now this is the case even if you have a multiple program system and the automated function supports a different program. For example, if your enterprise project supports both child welfare and Medicaid and there is an automated function that only supports the Medicaid program and it does not meet the CCWIS design requirements, it is not a CCWIS project. In this case, non-CCWIS cost allocation may be available for the child welfare portions of that enterprise system.

We do recommend that if you discover that your system is not a CCWIS that you contact your federal analyst to determine your next steps.

Next slide, please.

And here is an example of how this analysis of the CCWIS design requirements may look once documented in your automated function checklist.

As you see, five of the functions are checked “Yes” and will meet, or will meet when completed, the CCWIS design requirements. Five others,

which we have circled, are checked “No” because they do not meet the design requirements. However, each of these automated functions are exempt from the design requirements, as indicated by the checked box in the “Exempt” column.

Therefore because all ten functions in our system either comply with the design requirements or are exempt, the system as a whole meets the design requirements and is considered a CCWIS.

Next slide, please.

After determining if your project is a CCWIS project, the next step is to determine which of the automated functions are CCWIS functions – these are the automated functions you will use to develop the cost allocation plans for your CCWIS.

If an automated function supports one of the CCWIS project requirements listed in section 1355.52 of the regulation, then it is a function that you will factor in to the CCWIS cost allocation plans – and by CCWIS cost allocation plans, we mean those plans that are applicable only to the CCWIS.

Once again, if an automated function – once again, if you have a multiple program system, the CCWIS cost allocation applies only to the child welfare components of that system; but you will also have an overall cost allocation that guides the allocation of costs for the other programs in the system. If you have a stand-alone system, you will have only the CCWIS cost allocation plan.

Ways that an automated function may support a CCWIS requirement include:

- Do workers use the function to support their duties? For example, do they use it to document investigations, or home visits, or other case management activities? Or do workers or administrators use the module to set ticklers, alerts, or to generate reports?
- Is the, is the automated function one of the mandatory data exchanges?
- Or does the automated function, does it automate CCWIS data quality? For example, edit checks, data quality alerts or flags, and data quality

reports would all be types of automated functions that support CCWIS data quality. Also, be sure to include features that are not apparent to the users, such as scheduled jobs that run in the background to examine data quality.

Does the function or module support an optional function? For example, is it a data exchange with the Social Security Administration or your Department of Labor and Employment?

Once again, another check is to refer back to the APD and make sure that all mandatory and optional child welfare functionality you have described in your APD is listed on the automated function checklist.

And if you have a function that supports child welfare and another program, be sure to include it. For cost allocation purposes, you will have already identified the share supporting other programs, but don't neglect to include the child welfare share in the CCWIS cost allocation analysis. This may be common if you have a multiple program system where common functionality is shared by many programs.

But there's a flip top, flip side of this is - do not include functions that only support other programs. For example, an automated function for processing child support orders would not be checked "yes."

Next slide, please.

The "Supports CCWIS Requirements" column is where you record the results of this analysis.

Because this is a CCWIS stand-alone system, we see that all the automated functions are checked "Yes." But if this were a multiple program system for both child welfare and child support, the automated functions supporting child support would be listed on the checklist, but would be checked "No."

Only those automated functions checked "yes" will be evaluated as you develop the cost allocation plans for your CCWIS.

Next slide, please.

After you have identified the automated functions that are CCWIS automated functions, the next step is to determine which of those may qualify for CCWIS cost allocation. We determine this by looking at two factors: Is the function duplicated? And...is the function consistently used?

Automated functions must meet both these criteria to qualify for CCWIS cost allocation. In other words, only automated functions that are not duplicated and are consistently used may qualify for CCWIS cost allocation.

If a CCWIS automated function is either duplicated within CCWIS or other systems or if the function is not consistently used by workers, it may qualify for non-CCWIS cost allocation.

Next slide, please.

And here we see the results of that analysis for our example.

You can see that the majority of the automated functions – seven of, seven of them – are not duplicated and are consistently used. For example, we see that the first two automated functions, Intake & Screening and Investigations & Initial Assessment meet these criteria. These seven automated functions may qualify for CCWIS cost allocation.

But the remaining three, where we have circled the checkboxes, do not meet the criteria.

The first one, case management, does not meet either criteria. This automated function is duplicated by another system and the agency determined that it was not being consistently used by all workers.

The second one, Licensing & Placement, is duplicated.

The third, the NYTD Survey Tool, is not used consistently.

Next slide, please.

So because these three automated functions – the case management, the Licensing & Placement, and the NYTD Survey Tool – do not meet one or both of the criteria, they do not qualify for CCWIS cost allocation. And

we will see the effect of these three automated functions upon the cost allocation methodology as we continue with the example in Part 2 of this webinar.

Before we leave this slide, I think you can see that although the automated function checklist itself doesn't require much work to complete – in other words, you just check off boxes – there is analysis that goes into determining the automated functions that are listed and which of those boxes get checked.

Next slide, please.

We will continue with the example and demonstrate how to use the automated function checklist to develop your CCWIS cost allocation plans in the second part of this webinar in two weeks.

But right now, we want to switch gears and jump ahead and provide some guidance on reporting those allocated costs on the revised Form CB-496, which was issued on November 30th, 2018 with the program instruction number listed on your screen. We have the link for this PI at the end of the presentation. We want to provide this guidance now because the Foster Care report for costs incurred during the October – December 2018 quarter are due by March 1st, which is just a few days from now.

So I am going to hand off the presentation to Bill Meltzer who will walk us through reporting these costs, including how agencies report costs for multiple projects on, for multiple projects on multiple lines.

Next slide, please.

Bill Meltzer:

Thank you so much David. This is Bill Meltzer, good afternoon or good morning to all of you. I, I want to point out what I guess is the easy part of this presentation because there's quite a bit of information that's already been shared.

We're now discussing once you have gone through the automated functions checklist, you've made your determination for a CCWIS project, which of the particular functionalities qualify for CCWIS cost allocation and which do not qualify for CCWIS cost allocation. And as David and Lori

said, you may in fact have multiple projects that you need to address at the same time. So it's very important that you understand once you have that, those results, how you need to report those costs in order to receive title IV-E reimbursement and federal financial participation.

So essentially, what this slide is talking about is changes that were made for in-placement administration with respect to the title IV-E foster care program. Now under the former CB-496 reporting Part 1, we had a line that was identified as Agency Management costs, and within the instructions that was former Line 8 on the CB-496 that was in effect through fiscal year 2018. That line requested that if you were going to report costs for a system at that point, which was a non-SACWIS or a non-TACWIS system or during the transition period a system that was not considered a transitional system to CCWIS, but was going to be a, a system not subject to any cost – any special cost allocation, that those particular child welfare information system costs be reported as part of overall agency management. What this line shows is that we have now, on the revised form CB-496 for in-placement administrative costs, removed the specification that non-CCWIS project costs be reported as part of the cost for provider and agency management.

In a moment, we'll show you exactly where those costs are, are to be reported. But I realize that for many of you who work on a quarterly basis with assembling your form CB-496, it's very important to realize that if your state or tribe has a non-CCWIS project, then, or a non-SACWIS project in the past, and costs are continued to be reported either in a current quarter or in a prior quarter basis or for next quarter estimate purposes, that you do not include those costs as part of foster care in-placement administration.

Next slide, please.

Terry Watt: Hey Bill?

Bill Meltzer: Yes?

Terry Watt: Terry here. We've gotten some comments from participants asking you to speak a little louder please.

Bill Meltzer: I'm sorry. Is this better?

Terry Watt: It sounds better to me.

Bill Meltzer: Alright. So can we move to the next slide now? Thank you.

What this slide shows is that there are changes, specifically for non-CCWIS, this is the first time, to my understanding, that the CB-496 report has asked for a specific line item break-out of non-CCWIS project costs. Essentially, what we're asking for on the new reporting Lines 11a through 14b are breakouts of non-CCWIS and CCWIS project costs. And they are to be broken out by the project type, first of all whether it's a CCWIS or a non-CCWIS; the status of the project, whether it's operational or developmental; and also the cost allocation approach which is of course what David and Lori have been going through for the last hour or so, whether it's a CCWIS versus a non-CCWIS; and finally, and this is brand new to the title IV-E program's financial reports, we're also asking that you identify for a CCWIS project, the project number. And you identify the costs separately.

So for example, if your title IV-E agency had two different project numbers, and you're now operating on a project two, but you formally had a project one, it's very possible that you may be reporting costs for the project one as well as for the project two on the same CB-496 report. You can no longer simply add those costs together and report them on a particular line. We'll show you in a minute exactly how that's done, but you must identify the project number when you're reporting costs as well as which line it goes on.

Next slide, please. Thank you.

Okay, what we have here is Lines 11a and 11b. And, as I indicated before, Line 11a and 11b address costs for non-CCWIS projects. So this is not a CCWIS project where you have some costs that are not qualifying for CCWIS cost allocation, this is an entire project that has not been designated by the Children's Bureau and ACF as being a CCWIS project. So if that is the case, what we're requesting is that costs for operation of a non-CCWIS project be reported on Line 11a and costs for a non-CCWIS project that are developmental costs be reported on Line 11b.

As I just noted before, these costs were formally included along with other costs on line, on the former Part 1 Line 8. So these costs are now

reported separately. Now here you'll notice, there is no breakout for a project number because we're just interested in the fact that these are non-CCWIS project costs and they are to be reported separately from ordinary administrative costs.

Next slide, please.

Alright, this is a picture of what the CB-496 report looks like, and this is a picture, that we, is based on an Excel version.

I should of course mention for those of you who may not be aware, that the official reporting on the CB-496 must be done through the online data collection system, and that's why it took us a while to get this built into the system and operational. And that occurred in early February, and based on that we provided now two extensions for the due date for the first quarter of fiscal year 2019 report which is due, as David indicated, on March the 1st of 2019.

Next slide, please.

Alright, now we get to Lines 12a and 12b. Both of these lines identify CCWIS project operational costs. Now, when you first look at this, you might think there's a typographical error here, and we shouldn't have two lines. However, if you'll look a little more closely, you'll see the difference between the two lines is that a CCWIS project can, as was in discussed in quite detail before, have some functionality that is subject to the CCWIS cost allocation approach, and other functionality that is not subject to the CCWIS cost allocation approach.

So, to the extent that you do have functionality in a CCWIS project that, for operational costs, that is subject to CCWIS cost allocation, you report that on Line 12a. To the extent that you have CWISS project operational costs that are not subject to CCWIS cost allocation, you report those costs on Line 12b. And of course, the details on doing that is the whole discussion regarding the technical bulletin number 5.

Next slide, please.

Here you see an Excel version, and this does vary from what we have in, in the online data collection, but it was just set up to give you a display of what Lines 12a and 12b look like.

And the first thing you'll notice is, they're not single lines. In fact, the line itself is not a data entry point. It's the sublines, the drop-downs, that are the data entry points. The most important thing to note here is that before you put in any cost data, either for current quarter, prior quarter, or next quarter estimate purposes, you also need, you need to complete the column that says number, and that number will generally be either one, two, or possibly three, as the project number. So we're showing here, for each of these lines, 12a and 12b, three drop downs. The way the online data collection system is set up, is when you open the report, you'll see there's one line shown, one subline, for each of these lines, and then there's a little button that says add and asks you how many more lines you want to add as sublines. So you can choose to add if you need three projects, you can choose to add two more lines for that. If you don't need [unintelligible] just leave one line. And first you'd report the project number, and then your cost. And the same goes for Line 12b.

Can we move to the next slide please?

Thank you. Alright, Line 13a is very important, because that is your CCWIS project, developmental cost, for those functionalities using the CCWIS cost allocation approach. And Line 13b is the CCWIS project developmental cost for functionality that does not qualify for the CCWIS cost allocation approach.

So, this line follows very similarly to what we've, these two lines follow very similarly to what I just described for Lines 12a and 12b. We first of all, have to have the project broken out by project number. Also, we have the amounts included here, were formally reported on the old CB-496, so if you are tracking for spreadsheet purposes to a former version of the CB-496, these, these costs would have either been reported on Line 12 or Line 13 of the former CB-496 version, because that was either for project one or for project two. And it's possible if you have a project three, that that's a new project that you didn't formerly report costs, or if you did you might have included it with your project two costs in the past.

Next slide, please.

Okay, line 14a is for CCWIS project developmental costs that are also using the CCWIS cost allocation approach. And the difference though here is, from line 13a, that these are projects where you do not require to have an APD, or an advance planning document.

So these might be costs that are developmental in nature, but you've already completed an advance planning document, or it does not meet the threshold for purposes of, of an, continuing with an advance planning document. In either case, the difference is because these particular costs is, are not subject to an APD. There is no project number.

So we do want to separately identify these costs, but these are costs that are subject to, CCWIS project costs that are subject to the CCWIS cost allocation approach. And these amounts were formerly on the CB-496 version in 2018 or earlier years on line 14.

Next slide, please.

Line 14b is the mirror image of 14a. It's for those CCWIS projects where you have no APD required, but the costs are going to be allocated using a non-CCWIS cost allocation approach. So again, these costs were formerly reported on the old version of the CB-496, but they were included on line 14 of that particular report. So now they're separately broken out.

Next slide, please.

Here's the snapshot of lines 13a and b and 14a and b, and you notice the stark difference. 13a and b have the dropdowns for project number reporting, whereas 14a and b do not have any dropdowns. And that basically is the, is the difference between those particular lines.

Okay. Can we move to the next slide please?

Alright, this is very important because what we're showing here are the CB-496 report Part 2, which is your prior quarters adjustment section. Where now, now the difference that we have here, and this is something that we have to pay careful attention to, because normally when you're reporting prior quarter adjustments on the CB-496 in the online data collection system, you only need enter the total computable portion –

that's the gross amount of the cost – which is reported for the prior quarter adjustment.

You need to identify the applicable period for each adjustment, the funding code, and you report the total reportable amount – either in, in, as an increasing adjustment or as a decreasing adjustment on the Part 2.

However, for purposes of the reporting lines where we have project numbers, which is lines 12a and 12b and lines 13a and 13b, you are now going to need to report the prior quarter adjustments in Part 1 of the CB-496 in column C, the total amount by project number, or the, the net total by project number. And also report using the new funding codes in part two.

And the reason that needs to be the case is we wanted to reduce the burden – we did not want to set up separate, prior quarter funding codes for each project number. So thereby, as long as you identify in Part 1 the net total by project number for prior quarter adjustments, you only need to show the proper funding code for purposes of reporting in Part 2.

Okay, so these, these are all the codes that are applicable to the information technology projects, and hopefully that will give you a good idea. Now, we've moved on to slide, the next slide which talks about the pre-CCWIS project costs, so the old CB-496 report identified a number of codes which are shown here.

The non-CCWIS projects, as I said before, were included as part of the former report of agency management, which was coded for prior quarter adjustments as FAA. These costs, to the extent that you need to report them, as prior quarter adjustments now beginning with reports for quarters in 2019 and subsequent federal fiscal years, you're going to use the new reporting codes, not the old reporting codes. Those codes are no longer available.

So what this slide does, is it shows you, for purposes of any non-CCWIS project costs that you would have formerly reported a prior quarter adjustment as an FAA, you're now going to include them, with the proper applicable period, but using the FNO cost for operational purposes and the FND code for developmental costs. And similarly, if you had a former SACWIS/TACWIS project that you're now reporting additional costs or

decreasing adjustments for that particular project, these four codes that I'm showing here, the FS – FSO, FS1, FS2, and FSN are no longer in effect, and the codes that I'm showing next to those are the replacement codes that you would use to report those prior quarter adjustments on the CB-496, the version that's in effect now in fiscal year 2019.

And I think that we've finished the overview of the reporting form changes related to the information technology costs, and I hope that has been clear. But certainly if you do have questions, we will entertain those at the end.

So I'm going to hand this back to Lori, to complete the rest of this presentation, and I thank you very much.

Next slide, please.

Lori Partin:

Thank you Bill.

Here are links to resources that can provide more details on the topics we cover in this two part webinar series:

The Cost Allocation TB. Again, we apologize that it's not attached, but it's located at this link.

We have other links to the resources on the automated function checklist. The two information memoranda have examples of the optional template we used in this presentation. The template in the first IM is for CCWIS projects under APD threshold. The second IM has the template we used – it is for above threshold projects. The Technical Bulletin provides guidance on completing the checklist.

And we have provided a link to more information on the CB-496.

Next slide, please.

We also referred to the CAM toolkit, which provides more information on the nuances of cost allocation.

We have included this cost allocation Program Instruction laying out cost allocation as it applies to SACWIS because these cost allocation rules apply to CCWIS. As we have noted before, the cost allocation rules did

not change under CCWIS. What is different is determining, through the automated function checklist, what cost allocation methodology (CCWIS versus non-CCWIS) applies to which automated functions.

And since we referred to the APD throughout the presentation, we are providing a link to the very comprehensive presentation on APDs. This is a long and very complete presentation. However, if you are unfamiliar with APDs, this is a very good place to start. And even if you need a refresher, this is very good as it is so comprehensive.

And if you have questions as you work on your automated function checklist, developing your cost allocation plans, and completing your CB-496, please reach out to your federal analyst.

And if any of your questions related to CCWIS, please submit them to our CCWIS questions inbox.

Next slide, please.

We will now take questions. As mentioned earlier, you make type questions into the chat window or ask them directly over the phone. Operator, can you provide instructions on how to ask questions?

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