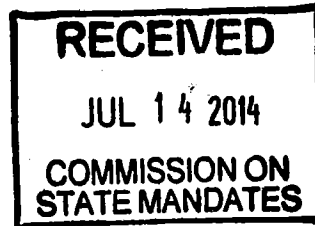


# SixTen and Associates

## Mandate Reimbursement Services

KEITH B. PETERSEN, President  
P.O. Box 340430  
Sacramento, CA 95834-0430  
Telephone: (916) 419-7093  
Fax: (916) 263-9701

E-Mail: [Kbpsixten@aol.com](mailto:Kbpsixten@aol.com)  
5252 Balboa Avenue, Suite 900  
San Diego, CA 92117  
Telephone: (858) 514-8605  
Fax: (858) 514-8645



July 9, 2014

Heather Halsey, Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814

RE: 1116/92 and 764/99 Integrated Waste Management  
Citrus Community College District  
Fiscal Years 1999-00 and 2000-01 and 2003-04 through 2010-11  
Incorrect Reduction Claim

Dear Ms. Halsey:

Enclosed is the original and two copies of the above referenced incorrect reduction claim for Citrus Community College District.

SixTen and Associates has been appointed by the District as its representative for this matter and all interested parties should direct their inquiries to me, with a copy as follows:

Claudette E. Dain, Vice President Finance and Administrative Services  
Citrus Community College District  
1000 West Foothill Boulevard  
Glendora, CA 91741-1899  
Voice: 626-914-8886  
Fax: 626-914-8823  
E-Mail: [cdain@citruscollege.edu](mailto:cdain@citruscollege.edu)

Sincerely,

A handwritten signature in black ink, appearing to read "Keith B. Petersen".

Keith B. Petersen

Enclosure: Incorrect Reduction Claim

C: Claudette E. Dain, Vice President Finance and Administrative Services

# COMMISSION ON STATE MANDATES

RECEIVED

For CSM Use Only

JUL 14 2014

COMMISSION ON  
STATE MANDATES

## 1. INCORRECT REDUCTION CLAIM TITLE

1116/92 and 764/99 Integrated Waste  
Management

Filing Date:

## 2. CLAIMANT INFORMATION

Citrus Community College District

Claudette E. Dain, Vice President  
Finance and Administrative Services  
1000 West Foothill Boulevard  
Glendora, CA 91741-1899  
Voice: 626-914-8886  
Fax: 626-914-8823  
E-Mail: [cdain@citruscollege.edu](mailto:cdain@citruscollege.edu)

## 3. CLAIMANT REPRESENTATIVE INFORMATION

Claimant designates the following person to act as its sole representative in this incorrect reduction claim. All correspondence and communications regarding this claim shall be forwarded to this representative. Any change in representation must be authorized by the claimant in writing, and sent to the Commission on State Mandates.

Keith B. Petersen, President  
SixTen and Associates  
P.O. Box 340430  
Sacramento, CA 95834-0430  
Voice: (916) 419-7093  
Fax: (916) 263-9701  
E-mail: [Kbpsixten@aol.com](mailto:Kbpsixten@aol.com)

IRC #:

14-0007-I-03

## 4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

Statutes of 1992, Chapter 1116,  
Statutes of 1999, Chapter 764,  
Public Resources Code 40418, 40196.3, 42920-928  
Public Contract Code 12167 and 12167.1

## 5. AMOUNT OF INCORRECT REDUCTION

Fiscal Year	Amount of Reduction
1999-2000	\$ 5,133
2000-2001	\$ 19,014
2003-2004	\$ 19,204
2004-2005	\$ 15,362
2005-2006	\$ 56,814
2006-2007	\$ 84,237
2007-2008	\$ 60,573
2008-2009	\$ 57,617
2009-2010	\$ 39,012
2010-2011	\$ 14,154
TOTAL:	\$ 371,120

## 6. NOTICE OF NO INTENT TO CONSOLIDATE

This claim is **not** being filed with the intent to consolidate on behalf of other claimants.

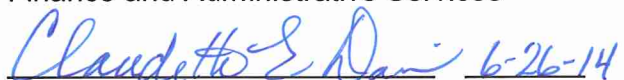
Sections 7-12 are attached as follows:

7. Written Detailed Narrative:	Pages <u>1</u> to <u>21</u>
8. Final SCO Audit Report:	Exhibit <u>A</u>
9. Parameter's and Guidelines:	Exhibit <u>B</u>
10. Claiming Instructions:	Exhibit <u>C</u>
11. Annual Reimbursement Claims:	Exhibit <u>D</u>
12. Controller's Payment Letters:	Exhibit <u>E</u>

## 13. CLAIM CERTIFICATION

This claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office pursuant to Government Code section 17561. This incorrect reduction claim is filed pursuant to Government Code section 17551, subdivision (d). I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim submission is true and complete to the best of my own personal knowledge or information or belief.

Claudette E. Dain, Vice President  
Finance and Administrative Services

  
Signature Date

6-26-14

1 Claim Prepared by:  
Keith B. Petersen  
3 SixTen and Associates  
4 P.O. Box 340430  
5 Sacramento, California 95834-0430  
6 Voice: (916) 419-7093  
7 Fax: (916) 263-9701

8 BEFORE THE  
9 COMMISSION ON STATE MANDATES  
10 STATE OF CALIFORNIA

11 INCORRECT REDUCTION CLAIM OF: ) No. CSM \_\_\_\_\_  
12 )  
13 ) Statutes of 1992, Chapter 1116,  
14 ) Statutes of 1999, Chapter 764,  
15 ) Public Resources Code 40418,  
16 ) 40196.3, 42920-928 and  
17 ) Public Contract Code 12167 and  
18 ) 12167.1.  
19 )  
20 ) **CITRUS** )  
21 ) **Community College District** )  
22 ) **Claimant.** )  
23 ) Annual Reimbursement Claims:  
24 ) Fiscal Year 1999-00  
25 ) Fiscal Year 2000-01  
26 ) Fiscal Year 2003-04  
27 ) Fiscal Year 2004-05  
28 ) Fiscal Year 2005-06  
29 ) Fiscal Year 2006-07  
30 ) Fiscal Year 2007-08  
31 ) Fiscal Year 2008-09  
32 ) Fiscal Year 2009-10  
33 ) Fiscal Year 2010-11

34 \_\_\_\_\_ )  
INCORRECT REDUCTION CLAIM FILING

35 PART I. AUTHORITY FOR THE CLAIM

36 The Commission on State Mandates has the authority pursuant to Government  
37 Code Section 17551(d) " . . . to hear and decide upon a claim by a local agency or

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

1 school district, filed on or after January 1, 1985, that the Controller has incorrectly  
2 reduced payments to the local agency or school district pursuant to paragraph (2) of  
3 subdivision (d) of Section 17561." Citrus Community College District (hereafter  
4 "District") is a "school district" as defined in Government Code Section 17519. Title 2,  
5 CCR, Section 1185 (a), requires the claimant to file an incorrect reduction claim with the  
6 Commission.

7 This incorrect reduction claim is timely filed. Title 2, CCR, Section 1185 (c),  
8 requires incorrect reduction claims to be filed no later than three years following the  
9 date of the Controller's notice to the claimant of a reduction in payment for an annual  
10 claim. A Controller's audit report dated September 11, 2013, has been issued. See  
11 Exhibit A. A Controller's claim action notice letter dated October 4, 2013, has been  
12 issued for each audited annual claim that constitutes notice of the field audit findings  
13 that resulted in a claim payment reduction. See Exhibit E. The audit report and claim  
14 action letters each and both constitute a final adjudication of the claim and notice of  
15 payment reduction.

16 There is no alternative dispute resolution process available from the Controller's  
17 office. The audit report letter states that an incorrect reduction claim should be filed  
18 with the Commission if the claimant disagrees with the audit findings.

19 **PART II. SUMMARY OF THE CLAIM**

20 The Controller conducted an audit of the District's annual reimbursement claims  
21 for Fiscal Years 1999-00 and 2000-01, and 2003-04 through 2010-11 for the cost of

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

1 complying with the legislatively mandated Integrated Waste Management program. As  
2 a result of the audit, the Controller determined that \$371,120 of the \$378,779 claimed  
3 costs were unallowable:

4	<u>Fiscal</u>	<u>Amount</u>	<u>Audit</u>	<u>SCO</u>	<u>Amount Due</u>
5	<u>Year</u>	<u>Claimed</u>	<u>Adjustment</u>	<u>Payments</u>	<u>&lt;State&gt; District</u>
6	1999-00	\$ 12,792	\$ 5,133	\$ 0	\$ 7,659
7	2000-01	\$ 19,014	\$ 19,014	\$ 0	\$ 0
8	2003-04	\$ 19,204	\$ 19,204	\$ 0	\$ 0
9	2004-05	\$ 15,362	\$ 15,362	\$ 0	\$ 0
10	2005-06	\$ 56,814	\$ 56,814	\$ 0	\$ 0
11	2006-07	\$ 84,237	\$ 84,237	\$ 0	\$ 0
12	2007-08	\$ 60,573	\$ 60,573	\$ 0	\$ 0
13	2008-09	\$ 57,617	\$ 57,617	\$ 0	\$ 0
14	2009-10	\$ 39,012	\$ 39,012	\$ 0	\$ 0
15	2010-11	<u>\$ 14,154</u>	<u>\$ 14,154</u>	<u>\$ 0</u>	<u>\$ 0</u>
16	Totals	\$ 378,779	\$ 371,120	\$ 0	\$ 7,659

17 Since the District did not receive any payments for these claims as of the date of the  
18 audit report, the audit report states that \$7,659 is payable to the District.

19 **PART III. PREVIOUS INCORRECT REDUCTION CLAIMS**

20 The District has not filed any previous incorrect reduction claims for this mandate  
21 program. On March 28, 2014, the Pasadena Area Community College District filed an  
22 incorrect reduction claim (13-0007-I-01) on this mandate program that includes similar

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1 issues. On June 17, 2014, the Sierra Joint Community College District filed an incorrect  
2 reduction claim on this mandate program that includes similar issues.

3 PART IV. BASIS FOR REIMBURSEMENT

4 A. Mandate Legislation

5 Statutes of 1992, Chapter 1116, amended Public Contract Code sections 12167  
6 and 12167.1 allowing the governing board of each college district, on or after July 1,  
7 1994, to expend funds in the Integrated Waste Management Account, upon  
8 appropriation by the Legislature, for the purpose of offsetting costs created by the  
9 recycling program.

10 Statutes of 1999, Chapter 764, added Public Resources Code sections 40148,  
11 40196.3 and 42920-42928 to require the governing board of each college district, on or  
12 before February 15, 2000, to adopt a state agency model integrated waste  
13 management plan which specifies that the district: complies with the State Agency  
14 Model plan; designate a solid waste reduction and recycling coordinator; divert at least  
15 50 percent of all solid waste from disposal or transformation facilities; submit a report to  
16 the board summarizing the progress made in reducing solid waste; and, submit  
17 information on quantities of recyclable materials collected on an annual basis to the  
18 Board.

19 B. Test Claim

20 The Commission on State Mandates, in the Statement of Decision adopted at  
21 the March 25, 2004 hearing, found that Public Resources Code sections 40148,

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1 40196.3, 42920-42928, Public Contract Code sections 12167 and 12167.1, and the  
2 State Agency Model Integrated Waste Management Plan constitute new programs or  
3 higher levels of service for community college districts within the meaning of Section 6,  
4 Article XIII B of the California Constitution. The Commission determined that  
5 performing the following specific new activities resulted in increased costs for  
6 community college districts to:

- 7 (1) Comply with the state model plan (Public Resources Code section 42920(b)(3)  
8 and State Agency Model Integrated Waste Management Plan, February 2000).
- 9 (2) Designate a district solid waste reduction and recycling coordinator (Public  
10 Resources Code section 42920 (c)).
- 11 (3) Divert at least 25 percent of all of its solid waste by January 1, 2002 and at least  
12 50 percent by January 1, 2004 (Public Resources Code sections 42921 and  
13 42922(i)). A district may seek an extension from the California Integrated Waste  
14 Management Board until December 31, 2005.
- 15 (4) Report by April 1 each year to the California Integrated Waste Management  
16 Board the progress in reducing solid waste (Public Resources Code sections  
17 42926(a) and 42922(i)).
- 18 (5) Submit annual recycled material reports to the California Integrated Waste  
19 Management Board (Public Contract Code section 12167.1)

20 C. Parameters and Guidelines

21 On March 30, 2005, the original parameters and guidelines were adopted. As a

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

1 result of litigation<sup>1</sup>, amended parameters and guidelines were issued September 26,  
2 2008, with retroactive effect. A copy of the original and amended parameters and  
3 guidelines are attached as Exhibit B.

4 D. Claiming Instructions

5 The Controller issued the first claiming instructions on June 6, 2005, for use to

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1

*State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al.* (Sacramento County Superior Court, Case No. 07CS00355)

The Department of Finance and the Integrated Waste Management Board filed a petition for writ of mandate in March 2007, asking the court to set aside the Commission's decision granting the test claim and to require the Commission to issue a new Statement of Decision and parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. Petitioners' position was that the Commission had not properly accounted for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials, in the Statement of Decision or parameters and guidelines. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the Commission to:

1. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans; and
2. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims all of the revenue generated as a result of implementing their plans, without regard to the limitations or conditions described in sections 12167 and 12167.1 of the Public Contract Code.



Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1 submit the initial claims for Fiscal Years 1999-00 through 2004-05. The claiming  
2 instructions have been annually revised for purposes of subsequent fiscal year filing  
3 dates. A copy of these claiming instructions are attached. See Exhibit C. However,  
4 since the Controller's claim forms and instructions have not been adopted as  
5 regulations, they have no force of law, and, therefore, have no effect on the outcome of  
6 this incorrect reduction claim.

7 PART V. STATE CONTROLLER CLAIM ADJUDICATION

8 The Controller conducted an audit of the District's annual reimbursement claims  
9 for Fiscal Years 1999-00 through 2000-01, and 2003-04 through 2010-11. The audit  
10 concluded that only \$7,659 (2%) of the District's \$378,779 costs, as claimed, are  
11 allowable. A copy of the September 11, 2013, audit report is attached as Exhibit A.

12 PART VI. STATEMENT OF THE ISSUES

13 **Finding - Understated offsetting savings**

14 **A. OFFSETTING COST SAVINGS**

15 The District did not report offsetting cost savings because none were realized.  
16 The audit report states that the total claimed costs of \$378,779 should have been  
17 reduced by \$371,120 of cost savings calculated by multiplying the tonnage diverted by  
18 a statewide average landfill fee per ton. However, none of these alleged cost savings  
19 were realized by the District as required by the parameters and guidelines.

20 1. The Legal Requirement

21 The notion of avoided cost for this mandate is a result of litigation by the

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1 Department of Finance and the Integrated Waste Management Board. The retroactive  
2 court decision requires a community college district to "identify and deduct offsetting  
3 costs savings from its claimed reimbursable costs." The court asserted, without  
4 evidence in the record, that these reductions will "most likely" occur:

5 In complying with the mandated solid waste diversion requirements of  
6 Public Resources Code section 42921, California Community Colleges are likely  
7 to experience cost savings in the form of reduced or avoided costs of landfill  
8 disposal. The reduced or avoided costs are a direct result and an integral part of  
9 the IWM plan mandates under Public Resources Code section 42920 et seq.: as  
10 solid waste diversion occurs, *landfill disposal of the solid waste and associated*  
11 *landfill disposal costs* are reduced or avoided. Indeed, diversion is defined in  
12 terms of landfill disposal for purposes of the IWM plan mandates. (See Pub.  
13 Resources Code §§ 40124 ("diversion' means activities which reduce or  
14 eliminate the amount of solid waste from solid waste disposal for purposes of  
15 this division [i.e., division 30, including § 42920 et seq.]", 40192, subd. (b) (for  
16 purposes of Part 2 (commencing with Section 40900), 'disposal' means the  
17 management of solid waste through landfill disposal or transformation at a  
18 permitted solid waste facility.") *Emphasis added*.)

19 Such reduction or avoidance of landfill fees and costs resulting from solid  
20 waste diversion activities under § 42920 et seq. represent savings which must be  
21 offset against the costs of the diversion activities to determine the reimbursable  
22 costs of IWM plan implementation -- i.e., the actual increased costs of diversion -  
23 - under section 6 and section 17514. Similarly, under Public Resources Code  
24 section 42925, such offsetting savings must be redirected to fund IWM plan  
25 implementation and administration costs in accordance with Public Contract  
26 Code section 12167. *The amount or value of the savings may be determined*  
27 *from the calculations of annual solid waste disposal reduction or diversion which*  
28 *California Community Colleges must annually report to petitioner Integrated*  
29 *Waste Management Board pursuant to subdivision (b)(1) of Public Resources*  
30 *Code section 42926. Emphasis added*

31 The amended and retroactive parameters and guidelines adopted September  
32 26, 2008, applied the court language as follows:

33 /

1           **VIII. OFFSETTING COST SAVINGS**

2           Reduced or avoided costs realized from implementation of the community  
3 college districts' Integrated Waste Management plans shall be identified and  
4 offset from this claim as cost savings, consistent with the directions for revenue  
5 in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes,  
6 community college districts are required to deposit cost savings resulting from  
7 their Integrated Waste Management plans in the Integrated Waste Management  
8 Account in the Integrated Waste Management Fund; the funds deposited in the  
9 Integrated Waste Management Account, upon appropriation by the Legislature,  
10 may be expended by the California Integrated Waste Management Board for the  
11 purpose of offsetting Integrated Waste Management plan costs. Subject to the  
12 approval of the California Integrated Waste Management Board, cost savings by  
13 a community college that do not exceed two thousand dollars (\$2,000) annually  
14 are continuously appropriated for expenditure by the community college for the  
15 purpose of offsetting Integrated Waste Management program costs. Cost  
16 savings exceeding two thousand dollars (\$2,000) annually may be available for  
17 expenditure by the community college only when appropriated by the Legislature.  
18 To the extent so approved or appropriated and applied to the college, these  
19 amounts shall be identified and offset from the costs claimed for implementing  
20 the Integrated Waste Management Plan.           Emphasis added.

21       2.    Assumed Cost Savings

22           The court presupposes a previous legal requirement for districts to incur landfill  
23 disposal fees to divert solid waste. Thus, potentially relieved of the need to incur new  
24 or additional landfill fees for increased waste diversion, a cost savings would occur.

25           There is no finding of fact or law in the court decision or from the Commission  
26 Statement of Decision for the test claim for this assumed duty to use landfills.

27           However, since the court stated that the cost savings from avoided landfill costs are  
28 only "likely," potential cost savings would be a finding of fact not law. There is no  
29 evidence in the court decision that these reduced or avoided landfill costs occurred at  
30 all or to any one district other than the bare assertion that such savings may have

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1 occurred. Thus, potential landfill cost savings would be a question of fact for each  
2 claiming district. However, the Controller's audit adjustment erroneously and simply  
3 assumes these cost savings occurred in the form of avoided landfill fees for the  
4 mandated tonnage diverted. The audit report merely states that the Controller has  
5 "determined that the district had reduced or avoided costs" apparently, and only, as a  
6 result of increased diversion of solid waste.

7 3. Realized Cost Savings

8 The parameters and guidelines language does not assume that the cost savings  
9 occurred, but instead requires that the cost savings be *realized*. The amended  
10 parameters and guidelines, relying upon the court decision, state that "(r)educed or  
11 avoided costs *realized* from implementation of the community college districts'  
12 Integrated Waste Management plans shall be identified and offset from this claim as  
13 cost savings . . . ." To be realized, the court states that the following string of events  
14 must occur:

15 Thus, in accordance with section 12167, state agencies, along with  
16 California Community Colleges which are defined as state agencies for purposes  
17 of IWM plan requirements in Public Resources Code section 42920 et seq.  
18 (Pub. Resources Code §§ 40196, 40148), must deposit cost savings resulting  
19 from IWM plans in the Integrated Waste Management Account in the Integrated  
20 Waste Management Fund; the funds deposited in the Integrated Waste  
21 Management Account, upon appropriation by the Legislature, may be expended  
22 by the Integrated Waste Management Board for the purpose of offsetting IWM  
23 plan costs. In accordance with section 12167.1 and notwithstanding section  
24 12167, cost savings from the IWM plans of the agencies and colleges that do not  
25 exceed \$2,000 annually are continuously appropriated for expenditure by the  
26 agencies and colleges for the purpose of offsetting IWM plan implementation  
27 and administration costs; cost savings resulting from IWM plans in excess of  
28 \$2,000 annually are available for such expenditure by the agencies and colleges

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1 when appropriated by the Legislature.

2 For the cost savings to be realized, the parameters and guidelines further require  
3 that "(t)o the extent so approved or appropriated and applied to the college, these  
4 amounts shall be identified and offset from the costs claimed for implementing the  
5 Integrated Waste Management Plan." Thus, a certain chain of events must occur: the  
6 cost savings must exist (avoided landfill costs); be converted to cash; amounts in  
7 excess of \$2,000 per year deposited in the state fund: and, these deposits by the  
8 districts appropriated by the Legislature to districts for purposes of mitigating the cost of  
9 implementing the plan. None of those prerequisite events occurred so no cost savings  
10 were "realized" by the District. Regardless, the adjustment cannot be applied to the  
11 District since no state appropriation of the cost savings was made to the District.

12 4. Calculation of the Cost Savings

13 The court suggests that "(t)he amount or value of the savings may be determined  
14 from the calculations of annual solid waste disposal reduction or diversion which  
15 California Community Colleges must annually report to petitioner Integrated Waste  
16 Management Board pursuant to subdivision (b)(1) of Public Resources Code section  
17 42926." The parameters and guidelines are silent as to how to calculate the avoided  
18 costs. The court provided two alternative methods, either disposal reduction or  
19 diversion reported by districts, and the Controller utilized the diversion percentage,  
20 which assumes, without findings of fact, that all diversion tonnage is landfill disposal  
21 tonnage reduction.

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1           a.     The Controller's formula is a standard of general application

2                     The audit adjustment for the assumed landfill cost savings is based on a  
3 formula created by the Controller and has been consistently used for all 32  
4 audits of this mandate published by the Controller (as of the date of this  
5 document). The Controller's use of this formula for audit purposes is a standard  
6 of general application without appropriate state agency rulemaking and is  
7 therefore unenforceable (Government Code Section 11340.5). The formula is  
8 not an exempt audit guideline (Government Code Section 11340.9(e)). State  
9 agencies are prohibited from enforcing underground regulations. If a state  
10 agency issues, enforces, or attempts to enforce a rule without following the  
11 Administrative Procedure Act, when it is required to, the rule is called an  
12 "underground regulation." Further, the audit adjustment is a financial penalty  
13 against the District, and since the adjustment is based on an underground  
14 regulation, the formula cannot be used for the audit adjustment (Government  
15 Code Section 11425.50).

16           b.     The Controller's formula assumes facts not in evidence

17                     The audited offsetting cost savings is the sum of three components: the  
18 "allocated" diversion percentage, multiplied by the tonnage diverted, multiplied by  
19 a landfill disposal cost per ton. The Controller's calculation method includes  
20 several factual errors that make it useless as a basis of determining potential  
21 cost savings.

Incorrect Reduction Claim of Citrus Community College District  
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1           1.     Allocated diversion percentage: The audit report uses the  
2           diversion percentage reported by the District to the state (CalRecycle) for  
3           each year until 2008 at which time this statistic was no longer available  
4           from CalRecycle. The auditor then used the 2007 percentage for all  
5           subsequent years. Therefore, the diversion rates used for the audit  
6           adjustments after 2007 are fiction.

7           2.     Tonnage diverted: The Controller formula uses the total tonnage  
8           reported by the District to CalRecycle. The audit report states that this  
9           total amount includes "solid waste that the district recycled, composted,  
10          and kept out of the landfill." Next, the audit report assumes without  
11          findings that all diverted tonnage would have been disposed in a landfill  
12          and thus additional landfill fees incurred for all additional tonnage diverted.

13          Composted material, which is a significant amount of the diverted  
14          tonnage, would not have gone to the landfill. The audit report also  
15          assumes without findings that all diverted tonnage is within the scope of  
16          the mandate. The total tons diverted for some fiscal years may include  
17          materials that are outside the scope of the mandate (e.g., paint).

18          Deducting the compost amount and tonnage unrelated to the mandate  
19          would reduce both the total tonnage and the diversion percentage. The  
20          audit report uses the total tonnage diverted reported by the District to the  
21          state (CalRecycle) for each year until 2008 at which time this statistic was

Incorrect Reduction Claim of Citrus Community College District  
 1116/92 and 764/99 Integrated Waste Management

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no longer available from CalRecycle. The auditor then used the 2007 tonnage for all subsequent years. Therefore, the diversion rates used for the audit adjustments after 2007 are fiction.

3. Landfill disposal fee: Having no District information in the annual claims for landfill disposal fees, since it was not required for the annual claims or the CalRecycle report, the Controller's method uses a statewide average cost to dispose of a ton of waste, ranging from \$36 to \$56 per ton, based on data said to be obtained from CalRecycle. The audit report does not include the CalRecycle statewide data used to generate these average fee amounts. Thus, the source of the average or actual costs that comprise the average is unknown and unsupported by audit findings.

5. Application of the Formula

The audit calculated cost savings of \$574,706 which are \$203,586 in excess of the claimed program costs of \$378,779:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Audited Amount</u>	<u>Adjustment Amount</u>	<u>Adjustment Applied</u>	<u>Adjustment Excess</u>
FY 1999-00	\$12,792	\$ 7,659	\$ 5,133	\$ 5,133	\$ 0
FY 2000-01	\$19,014	\$ 0	\$ 26,073	\$19,014	\$ 7,059
FY 2003-04	\$19,204	\$ 0	\$ 21,358	\$19,204	\$ 2,154
FY 2004-05	\$15,362	\$ 0	\$ 17,743	\$15,362	\$ 2,381
FY 2005-06	\$56,814	\$ 0	\$ 65,978	\$56,814	\$ 9,164
FY 2006-07	\$84,237	\$ 0	\$102,859	\$84,237	\$18,622
FY 2007-08	\$60,573	\$ 0	\$ 96,572	\$60,573	\$35,999
FY 2008-09	\$57,617	\$ 0	\$103,400	\$57,617	\$45,783
FY 2009-10	\$39,012	\$ 0	\$108,277	\$39,012	\$69,265
FY 2010-11	<u>\$14,154</u>	<u>\$ 0</u>	<u>\$ 27,313</u>	<u>\$14,154</u>	<u>\$13,159</u>
Totals	\$378,779	\$ 7,659	\$574,706	\$371,120	\$203,586



Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

1 The "excess" adjustment amount means the adjustment exceeded the amount claimed  
2 by the District for all program costs for all but one fiscal year. There are several factual  
3 errors in the application of this offset. The District did not claim landfill costs, so there  
4 are none to be offset. The adjustment method does not match or limit the landfill costs  
5 avoided to landfill costs, if any, actually claimed. Instead, the total adjustment amount  
6 for avoided landfill costs is applied to the total annual claim amounts and thus reduces  
7 unrelated salary and benefit costs for: preparing district policies and procedures;  
8 training staff who work on the integrated waste management plan; designating a plan  
9 coordinator; operating the plan accounting system; and, preparing annual recycling  
10 material reports.

11 The Controller's calculation method thus prevents this District from receiving full  
12 reimbursement of its actual increased program costs, contrary to an unfounded  
13 expectation by the court. Footnote 1 of the court decisions states that:

14 There is no indication in the administrative record or in the legal  
15 authorities provided to the court that, as respondent argues, a California  
16 Community College might not receive the full reimbursement of its actual  
17 increased costs required by section 6 if its claims for reimbursement of IWM plan  
18 costs were offset by realized cost savings and all revenues received from plan  
19 activities.

20 Indeed, it appears from the statewide audit results<sup>2</sup> to date that the application of the  
21 formula has only arbitrary results. The following table indicates the percentage of the  
22 total claimed cost allowed by the "desk audits" conducted by the Controller on the single

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<sup>2</sup> The Controller's audit reports are available at:  
[http://www.sco.ca.gov/aud\\_mancost\\_comcolleges\\_costrpt.html](http://www.sco.ca.gov/aud_mancost_comcolleges_costrpt.html)

Incorrect Reduction Claim of Citrus Community College District  
 1116/92 and 764/99 Integrated Waste Management

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1 issue of the costs savings offset:

2	<b>Controller's Audits-cost savings Issue only</b>	Percentage	Audit
3	<u>District</u>	<u>Allowed</u>	<u>Date</u>
4	Mira Costa Community College District	0%	10/08/2013
5	Citrus Community College District	2.0%	09/11/2013
6	Yuba Community College District	3.4%	05/07/2014
7	Grossmont-Cuyamaca Community College District	28.7%	04/30/2013
8	State Center Community College District	32.1%	08/30/2013
9	Merced Community College District	33.2%	07/09/2013
10	North Orange County Community College District	33.6%	08/15/2013
11	Solano Community College District	34.4%	06/17/2013
12	Long Beach Community College District	35.4%	05/22/2014
13	Sierra Joint Community College District	41.4%	07/22/2013
14	Yosemite Community College District	41.7%	07/10/2013
15	El Camino Community College District	43.0%	03/19/2014
16	Mt. San Antonio Community College District	43.7%	08/15/2013
17	Hartnell Community College District	45.0%	04/09/2014
18	Contra Costa Community College District	58.7%	05/29/2013
19	Monterey Peninsula Community College District	59.8%	06/05/2014
20	Siskiyou Joint Community College District	62.2%	06/03/2014
21	San Joaquin Delta Community College District	69.5%	05/07/2014
22	Gavilan Joint Community College District	69.6%	04/11/2014
23	West Kern Community College District	69.9%	06/03/2014
24	Marin Community College District	72.4%	06/03/2014
25	Victor Valley Community College District	73.4%	04/09/2014
26	Redwood Community College District	83.4%	04/11/2014

27 The District agrees that any relevant realized cost savings should be reported, but the  
 28 offset must also be properly matched to relevant costs.

29 **B. OFFSETTING REVENUES AND REIMBURSEMENTS**

30 The District's annual claims reported recycling income as an offset to total  
 31 reimbursable costs in the amount of \$17,074:

32 /

Incorrect Reduction Claim of Citrus Community College District  
 1116/92 and 764/99 Integrated Waste Management

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1	Controller	Line 8/9/10	Line 9/10/11	
2	Form IWM-1	Offsetting	Other	
3	<u>Fiscal Year</u>	<u>Savings</u>	<u>Reimbursements</u>	
4				
5	1999-00	\$ 289.54	\$ 0	
6	2000-01	\$ 18.11	\$ 0	
7	2003-04	\$ 0	\$ 0	
8	2004-05	\$ 263.45	\$ 0	
9	2005-06	\$ 0	\$ 1,478.59	
10	2006-07	\$ 0	\$ 3,200.55	
11	2007-08	\$ 0	\$ 1,894.28	
12	2008-09	\$ 0	\$ 3,307.60	
13	2009-10	\$ 0	\$ 5,104.93	
14	2010-11	\$ 0	\$ 1,517.20	
15	Totals	\$ 571.10	\$16,503.15	\$17,074.25

16 The audit report erroneously recognized only \$571 as the claimed offsetting recycling  
 17 revenues when in fact \$17,074 of offsetting revenue and other reimbursements were  
 18 reported and offset by the District. The audit report correctly states that this District  
 19 revenue was not deposited into the State IWM Account, but there is no such  
 20 requirement to do so for community colleges. Recycling revenues are not offsetting  
 21 cost savings, but are offsetting revenues generated from implementing the IWM plan.  
 22 Regarding recycling revenues, the court stated:

23 Although Public Contract Code sections 12167 and 12167.1 apply to  
 24 California Community Colleges for the purpose of offsetting savings pursuant to  
 25 the terms of Public Resources Code section 42925, *sections 12167 and 12167.1*  
 26 *do not apply to the colleges for the purpose of offsetting revenues or, indeed,*  
 27 *any other purpose. Sections 12167 and 12167.1 apply exclusively to state*  
 28 *agencies and institutions; the colleges, which are school districts rather than*  
 29 *state agencies, are not specially defined as state agencies for purposes of the*  
 30 *State Assistance for Recycling Markets Act of which sections 12167 and 12167.1*  
 31 *are a part. Therefore, sections 12167 and 12167.1 do not properly govern the*  
 32 *revenues generated by the colleges' recycling activities pursuant to their IWM*  
 33 *plans. The limits and conditions placed by sections 12167 and 12167.1 on the*  
 34 *expenditure of recycling revenues for the purpose of offsetting recycling program*

Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1 *costs are simply inapplicable to the revenues generated by the colleges'*  
2 *recycling activities.*

3 The provisions of Public Resources Code section 42920 et seq. do not  
4 address the use of revenues generated by recycling activities of California  
5 Community Colleges under IWM plans to offset reimbursable plan costs. *Thus,*  
6 *use of the revenues to offset reimbursable IWM plan costs is governed by the*  
7 *general principles of state mandates, that only the actual increased costs of a*  
8 *state-mandated program are reimbursable and, to that end, revenues provided*  
9 *for by the state-mandated program must be deducted from program costs.* (See  
10 Cal. Const., art. XIII B, § 6; Gov.Code §§ 17514, 17556, subd. (e); *County of*  
11 *Fresno v. State of California* (1991) 51 Cal.3d 482, 487; *County of Sonoma v.*  
12 *Commission on State Mandates*, (2000) 84 Cal.App.4th 1264, 1284.) These  
13 principles are reflected in respondent's regulation which requires, without  
14 limitation or exception, the identification of offsetting revenues in the parameters  
15 and guidelines for reimbursable cost claims. (Cal. Code Regs., tit. 2, §  
16 1183.1(a)(7).) *Emphasis added.*

17 The amended and retroactive parameters and guidelines adopted September 26, 2008,  
18 state:

19 **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

20 Reimbursement for this mandate from any source, including but not limited to,  
21 services fees collected, federal funds, and other state funds allocated to any  
22 service provided under this program, shall be identified and offset from this  
23 claim. Offsetting revenue shall include all revenues generated from implementing  
24 the Integrated Waste Management Plan.

25 In addition, revenue from a building-operating fee imposed pursuant to  
26 Education Code section 76375, subdivision (a) if received by a claimant and the  
27 revenue is applied to this program, shall be deducted from the costs claimed.

28 Therefore, the District properly reported the recycling income as a reduction of total  
29 claimed cost and not subject to state appropriation in the form of cost savings.

30 /

31 /

1 **C. PROCEDURAL ISSUES**

2 1. Standard of Review

3 None of the adjustments were made because the program costs claimed were  
4 excessive or unreasonable. The Controller does not assert that the claimed costs were  
5 excessive or reasonable, which is the only mandated cost audit standard in statute  
6 (Government Code Section 17561(d) (2)). It would therefore appear that the entire  
7 findings are based upon the wrong standard for review. If the Controller wishes to  
8 enforce other audit standards for mandated cost reimbursement, the Controller should  
9 comply with the Administrative Procedure Act.

10 2. Burden of Proof

11 Here, the evidentiary issue is the Controller's method for determining the  
12 adjustments. In many instances in the audit report, the District was invited to provide  
13 missing data in lieu of fictional data used by auditor, or to disprove the auditor's factual  
14 assumptions. This is an inappropriate shifting of the burden of proof for an audit. The  
15 Controller must first provide evidence as to the propriety of its audit findings because it  
16 bears the burden of going forward and because it is the party with the power to create,  
17 maintain, and provide evidence regarding its auditing methods and procedures, as well  
18 as the specific facts relied upon for its audit findings.

19 /

20 /

21 /

1 PART VIII. RELIEF REQUESTED

2 The District filed its annual reimbursement claims within the time limits  
3 prescribed by the Government Code. The amounts claimed by the District for  
4 reimbursement of the costs of implementing the Integrated Waste Management  
5 program imposed by the relevant Public Contract and Public Resources Code sections  
6 represent the actual costs incurred by the District to carry out this program. These  
7 costs were properly claimed pursuant to the Commission's parameters and guidelines.  
8 Reimbursement of these costs is required under Article XIII B, Section 6 of the California  
9 Constitution. The Controller's adjustments deny reimbursement without any basis in  
10 law or fact. The District has met its burden of going forward on this incorrect reduction  
11 claim by complying with the requirements of Section 1185, Title 2, California Code of  
12 Regulations. Because the Controller has enforced and is seeking to enforce these  
13 adjustments without benefit of statute or regulation, the burden of proof is now upon the  
14 Controller to establish a legal basis for its actions.

15 The District requests that the Commission make findings of fact and law on each  
16 and every adjustment made by the Controller and each and every procedural and  
17 jurisdictional issue raised in this claim, and order the Controller to correct its audit report  
18 findings therefrom.

19 /

20 /

21 /

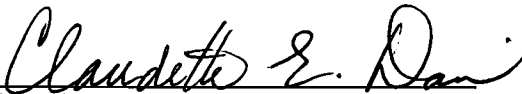
Incorrect Reduction Claim of Citrus Community College District  
1116/92 and 764/99 Integrated Waste Management

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1 PART VIII. CERTIFICATION

2 By my signature below, I hereby declare, under penalty of perjury under the laws  
3 of the State of California, that the information in this incorrect reduction claim  
4 submission is true and complete to the best of my own personal knowledge or  
5 information or belief, and that the attached documents are true and correct copies of  
6 documents received from or sent by the state agency or person who originated the  
7 document.

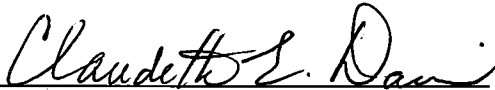
8 Executed on June 26<sup>th</sup>, 2014, at Glendora, California, by

9 

10 Claudette E. Dain, Vice President Finance and Administrative Services  
11 Citrus Community College District  
12 1000 West Foothill Boulevard  
13 Glendora, CA 91741-1899  
14 Voice: 626-914-8886  
15 Fax: 626-914-8823  
16 E-Mail: cdain@citruscollege.edu

17 APPOINTMENT OF REPRESENTATIVE

18 Citrus Community College District appoints Keith B. Petersen, SixTen and  
19 Associates, as its representative for this incorrect reduction claim.

20 

21 Claudette E. Dain, Vice President  
22 Finance and Administrative Services  
23 Citrus Community College District

6-26-14  
Date

24 Attachments:

25 Exhibit "A" Controller's Audit Report dated September 11, 2013  
26 Exhibit "B" Original Parameters and Guidelines adopted March 30, 2005, and  
27 Amended Parameters and Guidelines dated September 26, 2008  
28 Exhibit "C" Controller's Claiming Instructions  
29 Exhibit "D" Annual Reimbursement Claims  
30 Exhibit "E" Controller's Payment Action Letters dated October 4, 2013







**JOHN CHIANG**  
California State Controller

September 11, 2013

Carol R. Horton, Vice President of Finance and Administrative Services  
Citrus Community College District  
1000 West Foothill Boulevard  
Glendora, CA 91741-1899

Dear Ms. Horton:

The State Controller's Office reviewed the costs claimed by Citrus Community College District for the legislatively mandated Integrated Waste Management Program (Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999) for the period of July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011. We did not include the costs claimed for the period of July 1, 2001, through June 30, 2003, in the review period because the statute of limitations to initiate the review had expired before we began the review. Our review was limited to ensuring that offsetting savings were properly reported in accordance with program requirements.

The district claimed \$378,779 for the mandated program. Our review found that \$7,659 is allowable and \$371,120 is unallowable. The costs are unallowable because the district understated offsetting savings realized as a result of implementing its integrated waste management plan, as described in the attached Summary of Program Costs, Summary of Offsetting Savings Calculations, and the Finding and Recommendation. The State made no payment to the district. The State will pay the district \$7,659, contingent upon available appropriations.

We informed Rosalinda Buchwald, Fiscal Services Director, of the review results via email on August 7, 2013. On August 27, 2013, Ms. Buchwald replied that the district has a general understanding of the issues involved in the adjustment, but that the district does not agree with the review methodology.

If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at [www.csm.ca.gov/docs/IRCForm.pdf](http://www.csm.ca.gov/docs/IRCForm.pdf).

Carol R. Horton, Vice President of  
Finance and Administrative Services

-2-

September 11, 2013

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, by phone at (916) 323-5849.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/kw

Attachments

RE: S14-MCC-901

cc: Rosalinda Buchwald, Fiscal Services Director  
Citrus Community College District  
Christine Atalig, Specialist, College Finance and Facilities Planning  
California Community Colleges Chancellor's Office  
Mollie Quasebarth, Principal Program Budget Analyst  
Education Systems Unit, California Department of Finance  
Mario Rodriguez, Finance Budget Analyst  
Education Systems Unit, California Department of Finance  
Jay Lal, Manager  
Division of Accounting and Reporting  
State Controller's Office

**Attachment 1—  
Summary of Program Costs  
July 1, 1999, through June 30, 2001;  
and July 1, 2003, through June 30, 2011**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits	\$ 8,712	\$ 8,712	\$ —
Travel and training	462	462	—
Total direct costs	9,174	9,174	—
Indirect costs	3,908	3,908	—
Total direct and indirect costs	13,082	13,082	—
Less offsetting savings <sup>2</sup>	(290)	(5,423)	(5,133)
Total program costs	<u>\$ 12,792</u>	7,659	<u>\$ (5,133)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 7,659</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits	\$ 12,413	\$ 12,413	\$ —
Travel and training	1,070	1,070	—
Total direct costs	13,483	13,483	—
Indirect costs	5,549	5,549	—
Total direct and indirect costs	19,032	19,032	—
Less offsetting savings <sup>2</sup>	(18)	(26,091)	(26,073)
Subtotal	19,014	(7,059)	(26,073)
Adjustment to eliminate negative balance	—	7,059	7,059
Total program costs	<u>\$ 19,014</u>	—	<u>\$ (19,014)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 13,196	\$ 13,196	\$ —
Indirect costs	6,008	6,008	—
Total direct and indirect costs	19,204	19,204	—
Less offsetting savings <sup>2</sup>	—	(21,358)	(21,358)
Subtotal	19,204	(2,154)	(21,358)
Adjustment to eliminate negative balance	—	2,154	2,154
Total program costs	<u>\$ 19,204</u>	—	<u>\$ (19,204)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	

**Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 11,115	\$ 11,115	\$ —
Indirect costs	4,510	4,510	—
Total direct and indirect costs	15,625	15,625	—
Less offsetting savings <sup>2</sup>	(263)	(18,006)	(17,743)
Subtotal	15,362	(2,381)	(17,743)
Adjustment to eliminate negative balance	—	2,381	2,381
Total program costs	<u>\$ 15,362</u>	—	<u>\$ (15,362)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 31,896	\$ 31,896	\$ —
Travel and training	13,446	13,446	—
Total direct costs	45,342	45,342	—
Indirect costs	12,951	12,951	—
Total direct and indirect costs	58,293	58,293	—
Less offsetting revenues and reimbursements	(1,479)	(1,479)	—
Less offsetting savings <sup>2</sup>	—	(65,978)	(65,978)
Subtotal	56,814	(9,164)	(65,978)
Adjustment to eliminate negative balance	—	9,164	9,164
Total program costs	<u>\$ 56,814</u>	—	<u>\$ (56,814)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 61,228	\$ 61,228	\$ —
Contract services	525	525	—
Total direct costs	61,753	61,753	—
Indirect costs	25,685	25,685	—
Total direct and indirect costs	87,438	87,438	—
Less offsetting revenues and reimbursements	(3,201)	(3,201)	—
Less offsetting savings <sup>2</sup>	—	(102,859)	(102,859)
Subtotal	84,237	(18,622)	(102,859)
Adjustment to eliminate negative balance	—	18,622	18,622
Total program costs	<u>\$ 84,237</u>	—	<u>\$ (84,237)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	

**Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 40,973	\$ 40,973	\$ —
Indirect costs	21,494	21,494	—
Total direct and indirect costs	62,467	62,467	—
Less offsetting revenues and reimbursements	(1,894)	(1,894)	—
Less offsetting savings <sup>2</sup>	—	(96,572)	(96,572)
Subtotal	60,573	(35,999)	(96,572)
Adjustment to eliminate negative balance	—	35,999	35,999
Total program costs	<u>\$ 60,573</u>	—	<u>\$ (60,573)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 40,630	\$ 40,630	\$ —
Materials and supplies	983	983	—
Total direct costs	41,613	41,613	—
Indirect costs	19,312	19,312	—
Total direct and indirect costs	60,925	60,925	—
Less offsetting revenues and reimbursements	(3,308)	(3,308)	—
Less offsetting savings <sup>2</sup>	—	(103,400)	(103,400)
Subtotal	57,617	(45,783)	(103,400)
Adjustment to eliminate negative balance	—	45,783	45,783
Total program costs	<u>\$ 57,617</u>	—	<u>\$ (57,617)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 29,825	\$ 29,825	\$ —
Materials and supplies	1,086	1,086	—
Total direct costs	30,911	30,911	—
Indirect costs	13,206	13,206	—
Total direct and indirect costs	44,117	44,117	—
Less offsetting revenues and reimbursements	(5,105)	(5,105)	—
Less offsetting savings <sup>2</sup>	—	(108,277)	(108,277)
Subtotal	39,012	(69,265)	(108,277)
Adjustment to eliminate negative balance	—	69,265	69,265
Total program costs	<u>\$ 39,012</u>	—	<u>\$ (39,012)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	

## Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 10,673	\$ 10,673	\$ —
Indirect costs	4,998	4,998	—
Total direct and indirect costs	15,671	15,671	—
Less offsetting revenues and reimbursements	(1,517)	(1,517)	—
Less offsetting savings <sup>2</sup>	—	(27,313)	(27,313)
Subtotal	14,154	(13,159)	(27,313)
Adjustment to eliminate negative balance	—	13,159	13,159
Total program costs	<u>\$ 14,154</u>	—	<u>\$ (14,154)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>Summary: July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 260,661	\$ 260,661	\$ —
Materials and supplies	2,069	2,069	—
Contract services	525	525	—
Travel and training	14,978	14,978	—
Total direct costs	278,233	278,233	—
Indirect costs	117,621	117,621	—
Total direct and indirect costs	395,854	395,854	—
Less offsetting revenues and reimbursements	(16,504)	(16,504)	—
Less offsetting savings	(571)	(575,277)	(574,706)
Subtotal	378,779	(195,927)	(574,706)
Adjustment to eliminate negative balance	—	203,586	203,586
Total program costs	<u>\$ 378,779</u>	7,659	<u>\$ (371,120)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 7,659</u>	

<sup>1</sup> See Attachment 3, Finding and Recommendation.

<sup>2</sup> See Attachment 2, Summary of Offsetting Savings Calculations.

**Attachment 2—  
Summary of Offsetting Savings Calculations  
July 1, 1999, through June 30, 2001;  
and July 1, 2003, through June 30, 2011**

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized		Total	Review Adjustment <sup>1</sup>
		July-December	January-June		
<u>July 1, 1999, through June 30, 2000</u>					
Maximum allowable diversion percentage		—	25.00%		
Actual diversion percentage	÷	—	÷ 55.46%		
Allocated diversion percentage		—	45.08%		
Tonnage diverted	x	—	x (330.60)		
Statewide average landfill fee per ton	x	—	x \$36.39		
Offsetting savings, FY 1999-2000	\$ (290)	—	\$ (5,423)	\$ (5,423)	\$ (5,133)
<u>July 1, 2000, through June 30, 2001</u>					
Maximum allowable diversion percentage		25.00%	25.00%		
Actual diversion percentage	÷	55.46%	÷ 47.19%		
Allocated diversion percentage		45.08%	52.98%		
Tonnage diverted	x	(330.60)	x (1,072.00)		
Statewide average landfill fee per ton	x	\$36.39	x \$36.39		
Offsetting savings, FY 2000-01	\$ (18)	\$ (5,423)	\$ (20,668)	\$ (26,091)	\$ (26,073)
<u>July 1, 2003, through June 30, 2004</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	72.05%	÷ 54.66%		
Allocated diversion percentage		69.40%	91.47%		
Tonnage diverted	x	(520.10)	x (229.45)		
Statewide average landfill fee per ton	x	\$36.83	x \$38.42		
Offsetting savings, FY 2003-04	\$ —	\$ (13,294)	\$ (8,064)	\$ (21,358)	\$ (21,358)
<u>July 1, 2004, through June 30, 2005</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	54.66%	÷ 59.90%		
Allocated diversion percentage		91.47%	83.47%		
Tonnage diverted	x	(229.45)	x (305.40)		
Statewide average landfill fee per ton	x	\$38.42	x \$39.00		
Offsetting savings, FY 2004-05	\$ (263)	\$ (8,064)	\$ (9,942)	\$ (18,006)	\$ (17,743)
<u>July 1, 2005, through June 30, 2006</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	59.90%	÷ 78.51%		
Allocated diversion percentage		83.47%	63.69%		
Tonnage diverted	x	(305.40)	x (1,912.65)		
Statewide average landfill fee per ton	x	\$39.00	x \$46.00		
Offsetting savings, FY 2005-06	\$ —	\$ (9,942)	\$ (56,036)	\$ (65,978)	\$ (65,978)

## Attachment 2 (continued)

Cost Elements	Offsetting Savings Reported	Offsetting Savings Realized			Review Adjustment <sup>1</sup>
		July-December	January-June	Total	
<u>July 1, 2006, through June 30, 2007</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	78.51%	79.43%		
Allocated diversion percentage		63.69%	62.95%		
Tonnage diverted	x	(1,912.65)	x (1,549.60)		
Statewide average landfill fee per ton	x	\$46.00	x \$48.00		
Offsetting savings, FY 2006-07	\$ —	\$ (56,036)	\$ (46,823)	\$ (102,859)	\$ (102,859)
<u>July 1, 2007, through June 30, 2008</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	79.43%	79.43%		
Allocated diversion percentage		62.95%	62.95%		
Tonnage diverted	x	(1,549.60)	x (1,549.60)		
Statewide average landfill fee per ton	x	\$48.00	x \$51.00		
Offsetting savings, FY 2007-08	\$ —	\$ (46,823)	\$ (49,749)	\$ (96,572)	\$ (96,572)
<u>July 1, 2008, through June 30, 2009</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	79.43%	79.43%		
Allocated diversion percentage		62.95%	62.95%		
Tonnage diverted	x	(1,549.60)	x (1,549.60)		
Statewide average landfill fee per ton	x	\$51.00	x \$55.00		
Offsetting savings, FY 2008-09	\$ —	\$ (49,749)	\$ (53,651)	\$ (103,400)	\$ (103,400)
<u>July 1, 2009, through June 30, 2010</u>					
Maximum allowable diversion percentage		50.00%	50.00%		
Actual diversion percentage	÷	79.43%	79.43%		
Allocated diversion percentage		62.95%	62.95%		
Tonnage diverted	x	(1,549.60)	x (1,549.60)		
Statewide average landfill fee per ton	x	\$55.00	x \$56.00		
Offsetting savings, FY 2009-10	\$ —	\$ (53,651)	\$ (54,626)	\$ (108,277)	\$ (108,277)
<u>July 1, 2010, through June 30, 2011</u>					
Maximum allowable diversion percentage		50.00%	—		
Actual diversion percentage	÷	79.43%	—		
Allocated diversion percentage		62.95%	—		
Tonnage diverted	x	(774.80)	x —		
Statewide average landfill fee per ton	x	\$56.00	x —		
Offsetting savings, FY 2010-11	\$ —	\$ (27,313)	\$ —	\$ (27,313)	\$ (27,313)
<u>Total offsetting savings: July 1, 1999, through June 30, 2001; and July 1, 2003, through June 30, 2011</u>	\$ (571)	\$ (270,295)	\$ (304,982)	\$ (575,277)	\$ (574,706)

<sup>1</sup> See Attachment 3, Finding and Recommendation.



**Attachment 3—  
Finding and Recommendation  
July 1, 1999, through June 30, 2001;  
and July 1, 2003, through June 30, 2011**

**FINDING—  
Understated offsetting  
savings**

The district understated offsetting savings by \$574,706 for the review period. The following table summarizes the understated offsetting savings by fiscal year:

<u>Fiscal Year</u>	<u>Offsetting Savings Reported</u>	<u>Offsetting Savings Realized</u>	<u>Review Adjustment</u>
1999-2000	\$ (290)	\$ (5,423)	\$ (5,133)
2000-01	(18)	(26,091)	(26,073)
2003-04	-	(21,358)	(21,358)
2004-05	(263)	(18,006)	(17,743)
2005-06	-	(65,978)	(65,978)
2006-07	-	(102,859)	(102,859)
2007-08	-	(96,572)	(96,572)
2008-09	-	(103,400)	(103,400)
2009-10	-	(108,277)	(108,277)
2010-11	-	(27,313)	(27,313)
Total	<u>\$ (571)</u>	<u>\$ (575,277)</u>	<u>\$ (574,706)</u>

On March 25, 2004, the Commission on State Mandates (CSM) adopted the statement of decision for the Integrated Waste Management (IWM) Program. The CSM determined that Chapter 1116, Statutes of 1992; and Chapter 764, Statutes of 1999, imposed upon community college districts a state mandate reimbursable under Government Code section 17561, commencing July 1, 1999.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The CSM adopted the parameters and guidelines on March 30, 2005.

In March 2007, the Department of Finance and the IWM Board filed a petition for writ of mandate requesting the CSM to issue new parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the CSM to amend the parameters and guidelines to require community college districts to identify and offset from their claims, cost savings realized as a result of implementing their plans.

On September 26, 2008, the CSM amended the parameters and guidelines to the original period of reimbursement because the court's decision interprets the test claim statutes as a question of law.

In compliance with Government Code section 17558, the State Controller's Office issues claiming instructions to assist community college districts in claiming mandated-program reimbursable costs.

The amended parameters and guidelines (section VIII – Offsetting Cost Savings) state:

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management Plans shall be identified and offset from this claim as cost savings, consistent with the direction for revenue in Public Contract Code sections 12167 and 12167.1.

Public Contract Code sections 12167 and 12167.1 require agencies in state-owned and state-leased buildings to deposit all revenues from the sale of recyclables into the IWM Account in the IWM Fund. The revenues are to be continuously appropriated to the Board for the purposes of offsetting recycling program costs. For the review period, the district did not deposit any revenue into the IWM Account in the IWM Fund. We have determined that the district had reduced or avoided costs realized from implementation of its IWM plan that it did not identify and offset from its claims as cost savings.

**Offsetting Savings Calculation**

The CSM's Final Staff Analysis of the proposed amendments to the parameters and guidelines (Item #8–CSM hearing of September 26, 2008) state:

...cost savings may be calculated from the annual solid waste disposal reduction or diversion rates that community colleges must annually report to the Board pursuant to Public Resources Code section 42926, subdivision (b)(1).

To compute the savings amount, we multiplied the allocated diversion percentage by the tonnage diverted, and then by the avoided landfill disposal fee, as follows:

$$\begin{array}{rcc}
 & \text{Allocated Diversion \%} & \\
 & \overbrace{\hspace{1.5cm}} & \\
 \text{Offsetting} & \text{Maximum} & \text{Avoided} \\
 \text{Savings} & \text{Allowable} & \text{Landfill} \\
 \text{Realized} & = \frac{\text{Diversion \%}}{\text{Actual}} & \times \text{Tonnage} \times \text{Disposal Fee} \\
 & \text{Diversion \%} & \text{Diverted} \quad \text{(per Ton)}
 \end{array}$$

This calculation determines the cost that the district did not incur for solid waste disposal as a result of implementing its IWM plan. The offsetting savings calculations are presented in Attachment 2 – Summary of Offsetting Savings Calculations.

### *Allocated Diversion Percentage*

Public Resource Code 42921 requires districts achieve a solid waste diversion percentage of 25% beginning January 1, 2002, and a 50% diversion percentage by January 1, 2004. The parameters and guidelines state that districts will be reimbursed for all mandated costs incurred to achieve these levels, without reduction when they fall short of stated goals, but not for amounts used to exceed these state-mandated levels. Therefore, we allocated the offsetting savings to be consistent with the requirements of the mandated program.

For calendar years 2000 through 2007, we used the actual diversion percentage reported by the district to CalRecycle (formerly the IWM Board) pursuant to Public Resources Code section 42926, subdivision (b)(1).

In 2008, CalRecycle began focusing on “per-capita disposal” instead of a “diversion percentage.” As a result, CalRecycle stopped requiring community college districts to report the actual amount of tonnage diverted. Consequently, the annual reports no longer identify a “diversion percentage.” Therefore, we used the 2007 diversion percentage to calculate the offsetting savings for fiscal year (FY) 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11. The district did not provide documentation supporting a different diversion percentage.

### *Tonnage Diverted*

The tonnage diverted is solid waste that the district recycled, composted, and kept out of the landfill.

For calendar years 2000 through 2007, we used the actual tonnage diverted, as reported by the district to CalRecycle pursuant to Public Resources Code section 42926, subdivision (b)(1).

As previously noted, in 2008, CalRecycle stopped requiring community college districts to report the actual amount of tonnage diverted. Therefore, we used the tonnage diverted in 2007 to calculate the offsetting savings for FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11. The district did not provide documentation supporting a different amount of tonnage diverted.

### *Avoided Landfill Disposal Fee (per Ton)*

The avoided landfill disposal fee is used to calculate realized savings because the district no longer incurs a cost to dispose of the diverted tonnage at the landfill. For each fiscal year in the review period, we used the statewide average disposal fee provided by CalRecycle. The district did not provide documentation supporting a different disposal fee.

### Recommendation

We recommend that the district offset all savings realized from implementation of the community college district’s IWM plan.



BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Public Resources Code Sections 40148,  
40196.3, 42920, 42921, 42922, 42923,  
42924, 42925, 42926, 42927, and 42928;  
Public Contract Code Sections 12167 and  
12167.1;

Statutes 1999, Chapter 764 (AB 75);  
Statutes 1992, Chapter 1116 (A.B. 3521);

*State Agency Model Integrated Waste  
Management Plan* (February 2000).

Filed on March 9, 2001,

By Santa Monica and South Lake Tahoe  
Community College Districts, Co-claimants

No. 00-TC-07

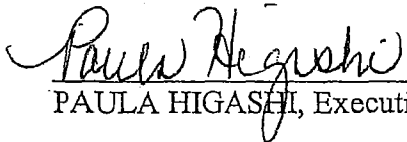
*Integrated Waste Management*

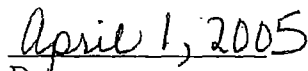
ADOPTION OF PARAMETERS AND  
GUIDELINES PURSUANT TO  
GOVERNMENT CODE SECTION 17557 AND  
TITLE 2, CALIFORNIA CODE OF  
REGULATIONS, SECTION 1183.12

*(Adopted on March 30, 2005)*

**PARAMETERS AND GUIDELINES**

On March 30, 2005, the Commission on State Mandates adopted the attached Parameters and Guidelines.

  
\_\_\_\_\_  
PAULA HIGASHI, Executive Director

  
\_\_\_\_\_  
Date

Adopted: March 30, 2005

## PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928  
Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)  
Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

*Integrated Waste Management (00-TC-07)*

Santa Monica and Lake Tahoe Community College Districts, Co-claimants

### I. SUMMARY OF THE MANDATE

On March 25, 2004, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Public Resources Code sections 40148, 40196.3, 42920-42928; Public Contract Code sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities, as specified below, which constitute new programs or higher levels of service for community college districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Specifically, the Commission approved this test claim for the increased costs of performing the following specific new activities:

- **Comply with the model plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000):** A community college must comply with the California Integrated Waste Management Board's (Board) model integrated waste management plan, which includes consulting with the Board to revise the model plan, as well as completing and submitting to the Board the following: (1) state agency or large state facility information form; (2) state agency list of facilities; (3) state agency waste reduction and recycling program worksheet, including the sections on program activities, promotional programs, and procurement activities; and (4) state agency integrated waste management plan questions.
- **Designate a solid waste reduction and recycling coordinator (Pub. Resources Code, § 42920, subd. (c)):** A community college must designate one solid waste reduction and recycling coordinator to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928), including implementing the community college's integrated waste management plan, and acting as a liaison to other state agencies (as defined by section 40196.3) and coordinators.
- **Divert solid waste (Pub. Resources Code, §§ 42921 & 42922, subd. (i)):** A community college must divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and

composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting.

A community college unable to comply with this diversion requirement may instead seek, until December 31, 2005, either an alternative requirement or time extension (but not both) as specified below:

- **Seek an alternative requirement (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b)):** A community college that is unable to comply with the 50-percent diversion requirement must: (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the 50-percent requirement; (3) participate in a public hearing on its alternative requirement; (4) provide the Board with information as to (a) the community college's good faith efforts to effectively implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board; (b) the community college's inability to meet the 50-percent diversion requirement despite implementing the measures in its plan; (c) the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve, and (d) relate to the Board circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.
- **Seek a time extension (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c)):** A community college that is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, must do the following pursuant to section 42923, subdivisions (a) and (c): (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the January 1, 2002 deadline; (3) provide evidence to the Board that it is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan; and (4) provide information to the Board that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college. (5) The community college must also submit a plan of correction that demonstrates that it will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.

- **Report to the Board (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i)):** A community college must annually submit, by April 1, 2002 and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report is to encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (1) calculations of annual disposal reduction; (2) information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors; (3) a summary of progress implementing the integrated waste management plan; (4) the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste. (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.) (5) For a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension. (6) For a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.
- **Submit recycled material reports (Pub. Contract Code, § 12167.1):** A community college must annually report to the Board on quantities of recyclable materials collected for recycling.

## II. ELIGIBLE CLAIMANTS

Community college districts that incur increased costs as a result of this mandate are eligible to claim reimbursement.

## III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 9, 2001. Therefore, costs incurred for compliance with Public Contract Code sections 12167 and 12167.1 (Stats. 1992, ch. 1116) are eligible for reimbursement on or after July 1, 1999. However, because of the statute's operative date, all other costs incurred pursuant to Statutes 1999, chapter 764 are eligible for reimbursement on or after January 1, 2000.

Seeking an alternative diversion goal or time extension (Pub. Resources Code, §§ 42922, 42923, and 42927) is reimbursable until December 31, 2005.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$1000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.



#### IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

##### A. One-Time Activities (Reimbursable starting January 1, 2000)

1. Develop the necessary district policies and procedures for the implementation of the integrated waste management plan.
2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

##### B. Ongoing Activities (Reimbursable starting January 1, 2000)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
  - a. state agency or large state facility information form;
  - b. state agency list of facilities;
  - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
  - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement

activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary.<sup>1</sup> (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator ("coordinator") for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)
5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
  - a. Notify the Board in writing, detailing the reasons for its inability to comply.
  - b. Request of the Board an alternative to the January 1, 2002 deadline.
  - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
  - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
  - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be

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<sup>1</sup> Attachment 1, California Integrated Waste Management Board, State Agency Model Integrated Waste Management Plan (February 2000).

implemented to meet those requirements, and the means by which these programs will be funded.

2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b).)

- a. Notify the Board in writing, detailing the reasons for its inability to comply.
- b. Request of the Board an alternative to the 50-percent requirement.
- c. Participate in a public hearing on its alternative requirement.
- d. Provide the Board with information as to:
  - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
  - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;
  - (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
  - (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction.

Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;

4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);
5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.

F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling. (Pub. Contract Code, § 12167.1.) (See Section VII. regarding offsetting revenues from recyclable materials.)

V. **CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. **Salaries and Benefits**

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. **Materials and Supplies**

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

### 3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

### 4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

### 5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

### 6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

## B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

## **VI. RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

## **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

Reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and deducted from this claim. Offsetting revenue shall include the revenues cited in Public Resources Code section 42925 and Public Contract Code sections 12167 and 12167.1.

Subject to the approval of the California Integrated Waste Management Board, revenues derived from the sale of recyclable materials by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting recycling program costs. Revenues exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts are a reduction to the recycling costs mandated by the state to implement Statutes 1999, chapter 764.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

## **VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS**

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

**IX. REMEDIES BEFORE THE COMMISSION**

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

**X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.





BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Public Resources Code Sections 40148, 40196.3, 42920, 42921, 42922, 42923, 42924, 42925, 42926, 42927, and 42928; Public Contract Code Sections 12167 and 12167.1;

Statutes 1999, Chapter 764 (AB 75); Statutes 1992, Chapter 1116 (A.B. 3521);

*State Agency Model Integrated Waste Management Plan* (February 2000).

Filed on March 9, 2001,

By Santa Monica and South Lake Tahoe Community College Districts, Co-claimants

No. 00-TC-07

*Integrated Waste Management*

ADOPTION OF AMENDMENTS TO PARAMETERS AND GUIDELINES PURSUANT TO DECISION OF THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO, No. 07CS00355, *State of California, Department of Finance, and California Integrated Waste Management Board v. Commission on State Mandates, et al.*

(Adopted: September 26, 2008)

**AMENDED PARAMETERS AND GUIDELINES**

On September 26, 2008, the Commission on State Mandates adopted the attached Amendments to the Parameters and Guidelines, as directed by the Superior Court of California, County of Sacramento, No. 07CS00355.

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PAULA HIGASHI, Executive Director

Date: September 29, 2008

Amended: September 26, 2008  
Adopted: March 30, 2005

## AMENDMENTS TO PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928  
Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)  
Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

*Integrated Waste Management*  
00-TC-07

Santa Monica and Lake Tahoe Community College Districts, Co-claimants

### I. SUMMARY OF THE MANDATE

On March 25, 2004, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Public Resources Code sections 40148, 40196.3, 42920-42928; Public Contract Code sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities, as specified below, which constitute new programs or higher levels of service for community college districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Specifically, the Commission approved this test claim for the increased costs of performing the following specific new activities:

- **Comply with the model plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000):** A community college must comply with the California Integrated Waste Management Board's (Board) model integrated waste management plan, which includes consulting with the Board to revise the model plan, as well as completing and submitting to the Board the following: (1) state agency or large state facility information form; (2) state agency list of facilities; (3) state agency waste reduction and recycling program worksheet, including the sections on program activities, promotional programs, and procurement activities; and (4) state agency integrated waste management plan questions.
- **Designate a solid waste reduction and recycling coordinator (Pub. Resources Code, § 42920, subd. (c)):** A community college must designate one solid waste reduction and recycling coordinator to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928), including implementing the community college's integrated waste management plan, and acting as a liaison to other state agencies (as defined by section 40196.3) and coordinators.

- **Divert solid waste (Pub. Resources Code, §§ 42921 & 42922, subd. (i)):** A community college must divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting.

A community college unable to comply with this diversion requirement may instead seek, until December 31, 2005, either an alternative requirement or time extension (but not both) as specified below:

- **Seek an alternative requirement (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b)):** A community college that is unable to comply with the 50-percent diversion requirement must: (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the 50-percent requirement; (3) participate in a public hearing on its alternative requirement; (4) provide the Board with information as to (a) the community college's good faith efforts to effectively implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board; (b) the community college's inability to meet the 50-percent diversion requirement despite implementing the measures in its plan; (c) the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve, and (d) relate to the Board circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.
- **Seek a time extension (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c)):** A community college that is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, must do the following pursuant to section 42923, subdivisions (a) and (c): (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the January 1, 2002 deadline; (3) provide evidence to the Board that it is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan; and (4) provide information to the Board that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college. (5) The community college must also submit a plan of correction that demonstrates that it will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be

implemented to meet those requirements, and the means by which these programs will be funded.

- **Report to the Board (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i)):** A community college must annually submit, by April 1, 2002 and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report is to encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (1) calculations of annual disposal reduction; (2) information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors; (3) a summary of progress implementing the integrated waste management plan; (4) the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste. (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.) (5) For a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension. (6) For a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.
- **Submit recycled material reports (Pub. Contract Code, § 12167.1):** A community college must annually report to the Board on quantities of recyclable materials collected for recycling.

*State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al. (Sacramento County Superior Court, Case No. 07CS00355)*

The Department of Finance and the Integrated Waste Management Board filed a petition for writ of mandate in March 2007, asking the court to set aside the Commission's decision granting the test claim and to require the Commission to issue a new Statement of Decision and parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. Petitioners' position was that the Commission had not properly accounted for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials, in the Statement of Decision or parameters and guidelines. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the Commission to:

1. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans; and

2. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims all of the revenue generated as a result of implementing their plans, without regard to the limitations or conditions described in sections 12167 and 12167.1 of the Public Contract Code.

## **II. ELIGIBLE CLAIMANTS**

Community college districts that incur increased costs as a result of this mandate are eligible to claim reimbursement.

## **III. PERIOD OF REIMBURSEMENT**

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 9, 2001. Therefore, costs incurred for compliance with Public Contract Code sections 12167 and 12167.1 (Stats. 1992, ch. 1116) are eligible for reimbursement on or after July 1, 1999. However, because of the statute's operative date, all other costs incurred pursuant to Statutes 1999, chapter 764 are eligible for reimbursement on or after January 1, 2000.

Seeking an alternative diversion goal or time extension (Pub. Resources Code, §§ 42922, 42923, and 42927) is reimbursable until December 31, 2005.

Actual costs for one fiscal year should be included in each claim. Pursuant to Government Code section 17561, subdivision (d), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$1000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

## **IV. REIMBURSABLE ACTIVITIES**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One-Time Activities (*Reimbursable starting January 1, 2000*)

1. Develop the necessary district policies and procedures for the implementation of the integrated waste management plan.
2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

B. Ongoing Activities (*Reimbursable starting January 1, 2000*)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
  - a. state agency or large state facility information form;
  - b. state agency list of facilities;
  - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
  - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary.<sup>1</sup> (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator ("coordinator") for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)

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<sup>1</sup> Attachment 1, California Integrated Waste Management Board, State Agency Model Integrated Waste Management Plan (February 2000).

5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
  - a. Notify the Board in writing, detailing the reasons for its inability to comply.
  - b. Request of the Board an alternative to the January 1, 2002 deadline.
  - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
  - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
  - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.
2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b).)
  - a. Notify the Board in writing, detailing the reasons for its inability to comply.
  - b. Request of the Board an alternative to the 50-percent requirement.
  - c. Participate in a public hearing on its alternative requirement.
  - d. Provide the Board with information as to:
    - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
    - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;

- (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
- (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction. Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;
4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);
5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.



F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling.  
(Pub. Contract Code, § 12167.1.)

V. **CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. **Salaries and Benefits**

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. **Materials and Supplies**

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. **Contracted Services**

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

4. **Fixed Assets and Equipment**

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. **Travel**

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element

A.1., Salaries and Benefits, for each applicable reimbursable activity.

#### 6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1., Salaries and Benefits, and A.2., Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3., Contracted Services.

#### B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

### **VI. RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

### **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

Reimbursement for this mandate from any source, including but not limited to, services fees

collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and offset from this claim. Offsetting revenue shall include all revenues generated from implementing the Integrated Waste Management Plan.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

#### **VIII. OFFSETTING COST SAVINGS**

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes, community college districts are required to deposit cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.

#### **IX. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS**

The Controller shall, within 60 days after receiving amended parameters and guidelines prepare and issue revised claiming instructions for mandates that require state reimbursement after any decision or order of the commission pursuant to section 17559. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission. Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (Gov. Code, § 17558, subdivision (c).)

If revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between November 15 and February 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

#### **X. REMEDIES BEFORE THE COMMISSION**

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the

Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

#### **XI. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.



OFFICE OF THE STATE CONTROLLER

STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2005-05

INTEGRATED WASTE MANAGEMENT  
(COMMUNITY COLLEGES)

June 6, 2005

In accordance with Government Code (GC) section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for the filing of claims for the Integrated Waste Management (IWM) program. These claiming instructions are issued subsequent to adoption of the program's parameters and guidelines (P's & G's) by the Commission on State Mandates (COSM).

On March 25, 2004, the COSM determined that Chapter 764, Statutes of 1999, and Chapter 1116, Statutes of 1992, established costs mandated by the State according to the provisions listed in the P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

**Eligible Claimants**

Any community college that incurs increased costs as a direct result of this mandate is eligible to claim reimbursement of these costs.

**Filing Deadlines**

**A. Reimbursement Claims**

Initial reimbursement claims must be filed within 120 days from the issuance date of claiming instructions. Reimbursement claims for the period January 1, 2000, to June 30, 2000, and fiscal years 2000-01 through 2004-2005 must be filed with the SCO and be delivered or postmarked on or before **October 4, 2005**. Estimated claims for fiscal year 2005-06 must be filed on or before **October 4, 2005**, or by **January 15, 2006**.

Costs for all initial reimbursement claims must be filed separately according to the fiscal year in which the costs were incurred. In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. **Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.**

The reimbursement periods for the following activities are as follows:

1. One-Time Activities - January 1, 2000, to June 30, 2000, fiscal year 2000-01 and subsequent fiscal years;
2. Ongoing Activities - January 1, 2000, to June 30, 2000, fiscal year 2000-01 and subsequent fiscal years;
3. Alternative Compliance - January 1, 2000, to June 30, 2000, fiscal years 2000-01 through 2004-05, and July 1, 2005, to December 31, 2005;

2006 - 2007/08

4. Accounting System - January 1, 2000, to June 30, 2000, fiscal year 2000-01 and subsequent fiscal years;
5. Annual Report - January 1, 2000, to June 30, 2000, fiscal year 2000-01 and subsequent fiscal years; and
6. Annual Recycled Material Reports - Fiscal year 1999-00 and subsequent fiscal years.

## **B. Late Penalty**

### **1. Initial Claims**

AB 3000 enacted into law on September 30, 2002, amended the late penalty assessments on initial claims. Late initial claims submitted **on or after September 30, 2002**, are assessed a late penalty of 10% of the total amount of the initial claims **without limitation**.

### **2. Annual Reimbursement Claims**

All late reimbursement claims are assessed a late penalty of 10% subject to the \$1,000 limitation regardless of when the claims were filed.

## **C. Estimated Claims**

Unless otherwise specified in the claiming instructions, a community college is not required to provide cost schedules and supporting documents with an estimated claim if the estimated amount does not exceed the previous fiscal year's actual costs by more than 10%. Claimants can simply enter the estimated amount on form FAM-27, line (07).

However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, claimants must complete supplemental claim forms to support their estimated costs as specified for the program to explain the reason for the increased costs. If no explanation supporting the higher estimate is provided with the claim, it will automatically be adjusted to 110% of the previous fiscal year's actual costs. Future estimated claims filed with the SCO must be postmarked by January 15 of the fiscal year in which costs will be incurred. Claims filed timely will be paid before late claims.

## **Minimum Claim Cost**

GC, section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (\$1,000).

## **Reimbursement of Claims**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question.

Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts and the community college plan approved by the Board. Evidence corroborating the source documents may include, but is not limited to, worksheets, cost

allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

### **Certification of Claim**

In accordance with the provisions of Government Code section 17561, an authorized representative of the claimant shall be required to provide a certification of claim stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5, for those costs mandated by the State and contained herein.

### **Audit of Costs**

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college pursuant to this chapter is subject to the initiation of an audit by the SCO no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the SCO to initiate an audit shall commence to run from the date of initial payment of the claim.

In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by the SCO as deemed necessary.

### **Retention of Claiming Instructions**

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

Questions or requests for hard copies of these instructions should be faxed to Ginny Brummels at (916) 323-6527, or e-mailed to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov). If you wish, you may call the Local Reimbursements Section at (916) 324-5729.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at [www.sco.ca.gov/ard/local/locreim/index.shtml](http://www.sco.ca.gov/ard/local/locreim/index.shtml).



**Address for Filing Claims**

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. **(To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

Adopted: March 30, 2005

## PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928

Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)

Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

*Integrated Waste Management (00-TC-07)*

Santa Monica and Lake Tahoe Community College Districts, Co-claimants

### I. SUMMARY OF THE MANDATE

On March 25, 2004, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Public Resources Code sections 40148, 40196.3, 42920-42928; Public Contract Code sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities, as specified below, which constitute new programs or higher levels of service for community college districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Specifically, the Commission approved this test claim for the increased costs of performing the following specific new activities:

- **Comply with the model plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000):** A community college must comply with the California Integrated Waste Management Board's (Board) model integrated waste management plan, which includes consulting with the Board to revise the model plan, as well as completing and submitting to the Board the following: (1) state agency or large state facility information form; (2) state agency list of facilities; (3) state agency waste reduction and recycling program worksheet, including the sections on program activities, promotional programs, and procurement activities; and (4) state agency integrated waste management plan questions.
- **Designate a solid waste reduction and recycling coordinator (Pub. Resources Code, § 42920, subd. (c)):** A community college must designate one solid waste reduction and recycling coordinator to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928), including implementing the community college's integrated waste management plan, and acting as a liaison to other state agencies (as defined by section 40196.3) and coordinators.
- **Divert solid waste (Pub. Resources Code, §§ 42921 & 42922, subd. (i)):** A community college must divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and

composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting.

A community college unable to comply with this diversion requirement may instead seek, until December 31, 2005, either an alternative requirement or time extension (but not both) as specified below:

- **Seek an alternative requirement (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b)):** A community college that is unable to comply with the 50-percent diversion requirement must: (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the 50-percent requirement; (3) participate in a public hearing on its alternative requirement; (4) provide the Board with information as to (a) the community college's good faith efforts to effectively implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board; (b) the community college's inability to meet the 50-percent diversion requirement despite implementing the measures in its plan; (c) the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve, and (d) relate to the Board circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.
- **Seek a time extension (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c)):** A community college that is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, must do the following pursuant to section 42923, subdivisions (a) and (c): (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the January 1, 2002 deadline; (3) provide evidence to the Board that it is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan; and (4) provide information to the Board that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college. (5) The community college must also submit a plan of correction that demonstrates that it will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.

- **Report to the Board (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i)):** A community college must annually submit, by April 1, 2002 and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report is to encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (1) calculations of annual disposal reduction; (2) information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors; (3) a summary of progress implementing the integrated waste management plan; (4) the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste. (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.) (5) For a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension. (6) For a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.
- **Submit recycled material reports (Pub. Contract Code, § 12167.1):** A community college must annually report to the Board on quantities of recyclable materials collected for recycling.

## II. ELIGIBLE CLAIMANTS

Community college districts that incur increased costs as a result of this mandate are eligible to claim reimbursement.

## III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 9, 2001. Therefore, costs incurred for compliance with Public Contract Code sections 12167 and 12167.1 (Stats. 1992, ch. 1116) are eligible for reimbursement on or after July 1, 1999. However, because of the statute's operative date, all other costs incurred pursuant to Statutes 1999, chapter 764 are eligible for reimbursement on or after January 1, 2000.

Seeking an alternative diversion goal or time extension (Pub. Resources Code, §§ 42922, 42923, and 42927) is reimbursable until December 31, 2005.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$1000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

#### IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

##### A. One-Time Activities (*Reimbursable starting January 1, 2000*)

1. Develop the necessary district policies and procedures for the implementation of the integrated waste management plan.
2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

##### B. Ongoing Activities (*Reimbursable starting January 1, 2000*)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
  - a. state agency or large state facility information form;
  - b. state agency list of facilities;
  - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
  - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary.<sup>1</sup> (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator ("coordinator") for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)
5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
  - a. Notify the Board in writing, detailing the reasons for its inability to comply.
  - b. Request of the Board an alternative to the January 1, 2002 deadline.
  - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
  - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
  - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs

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<sup>1</sup> Attachment 1, California Integrated Waste Management Board, State Agency Model Integrated Waste Management Plan (February 2000).

will be funded.

2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subs. (a) & (b).)
  - a. Notify the Board in writing, detailing the reasons for its inability to comply.
  - b. Request of the Board an alternative to the 50-percent requirement.
  - c. Participate in a public hearing on its alternative requirement.
  - d. Provide the Board with information as to:
    - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
    - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;
    - (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
    - (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction. Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;
4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste

(If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);

5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.

F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling. (Pub. Contract Code, § 12167.1.) (See Section VII. regarding offsetting revenues from recyclable materials.)

**V. CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.



### 3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

### 4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

### 5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

### 6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

## B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

#### **VI. RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

#### **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

Reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and deducted from this claim. Offsetting revenue shall include the revenues cited in Public Resources Code section 42925 and Public Contract Code sections 12167 and 12167.1.

Subject to the approval of the California Integrated Waste Management Board, revenues derived from the sale of recyclable materials by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting recycling program costs. Revenues exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts are a reduction to the recycling costs mandated by the state to implement Statutes 1999, chapter 764.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

#### **VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS**

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

#### **IX. REMEDIES BEFORE THE COMMISSION**

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

#### **X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	For State Controller Use Only (19) Program Number 256 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program <b>256</b>
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L A B E L  H E R E	(01) Claimant Identification Number	<b>Reimbursement Claim Data</b>	
	(02) Claimant Name	(22) IWM-1, (03)(A)(1)(f)	
	County of Location	(23) IWM-1, (03)(A)(2)(f)	
	Street Address or P.O. Box <span style="float: right;">Suite</span>	(24) IWM-1, (03)(B)(1)(f)	
	City <span style="float: right;">State</span> <span style="float: right;">Zip Code</span>	(25) IWM-1, (03)(B)(2)(f)	

Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(26) IWM-1, (03)(B)(3)(f)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)
			(29) IWM-1, (03)(C)(1)(f)
<b>Fiscal Year of Cost</b>	(06) <b>20</b> ___ / <b>20</b> ___	(12) ___ / <b>20</b> ___	(30) IWM-1, (03)(C)(2)(f)
<b>Total Claimed Amount</b>	(07)	(13)	(31) IWM-1, (03)(D)(f)
<b>Less: 10% Late Penalty</b>		(14)	(32) IWM-1, (03)(E)(f)
<b>Less: Prior Claim Payment Received</b>		(15)	(33) IWM-1, (03)(F)(f)
<b>Net Claimed Amount</b>		(16)	(34) IWM-1, (06)
<b>Due from State</b>	(08)	(17)	(35) IWM-1, (08)
<b>Due to State</b>		(18)	(36) IWM-1, (09)

**(37) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
 Type or Print Name \_\_\_\_\_ Title \_\_\_\_\_

(38) Name of Contact Person for Claim \_\_\_\_\_ Telephone Number ( ) - Ext. \_\_\_\_\_

E-Mail Address \_\_\_\_\_

Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>Certification Claim Form</b> <b>Instructions</b>	<b>FORM</b> <b>FAM-27</b>
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) If filing an estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) Leave blank.
- (05) If filing an amended estimated claim, enter an "X" in the box on line (05) Amended.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of the estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form IWM-1 and enter the amount from line (10).
- (08) Enter the same amount as shown on line (07).
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) Leave blank.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from form IWM-1, line (10). The total claimed amount must exceed \$1,000.
- (14) **Filing Deadline.** Estimated claims for fiscal year 2005-06 must be filed by **October 4, 2005**. Reimbursement claims must be filed by January 15 of the following fiscal year in which costs were incurred or the claims shall be reduced by a late penalty of 10%. Enter zero if the claim was timely filed; otherwise, enter the product of multiplying line (13) by the factor 0.10 (10% penalty).
- (15) If filing an actual reimbursement claim or an estimated claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g. IWM-1, (03)(A)(1)(f), means the information is located on form IWM-1, block (0), line (A)(1), column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

**SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:**

*Address, if delivered by U.S. Postal Service:*

OFFICE OF THE STATE CONTROLLER  
 ATTN: Local Reimbursements Section  
 Division of Accounting and Reporting  
 P.O. Box 942850  
 Sacramento, CA 94250

*Address, if delivered by other delivery service:*

OFFICE OF THE STATE CONTROLLER  
 ATTN: Local Reimbursements Section  
 Division of Accounting and Reporting  
 3301 C Street, Suite 500  
 Sacramento, CA 95816

Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>IWM-1</b>
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(01) Claimant  	(02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year ___ / ___
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Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel & Training	Total
<b>A. One-Time Activities</b>						
1. Development of Policies and Procedures						
2. Staff Training						
<b>B. Ongoing Activities</b>						
1. Completion and Submission of Plan to Board						
2. Response to Board During Approval Process						
3. Consultation with Board						
4. Designation of Waste Reduction and Recycling Coordinator						
5. Diversion and Maintenance of Approved Level of Reduction						
<b>C. Alternative Compliance</b>						
1. Alternative Requirement or Time Extension for 1/1/02 for 25% Waste						
2. Alternative Requirement or Time Extension for 1/1/04 for 50% Waste						
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
(04) Total Direct Costs						

<b>Indirect Costs</b>		
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]	%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]	
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	

<b>Cost Reduction</b>		
(08) Less: Offsetting Savings		
(09) Less: Other Reimbursements		
(10) Total Claimed Amount	[Line (07) - {line (08) + line (09)}]	

Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT                  CLAIM SUMMARY                  Instructions</b>	<b>FORM                  IWM-1</b>
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- (01) Claimant: Enter the name of the claimant.
- (02) Type of Claim: Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year of costs.  
  
 Form IWM-1 must be filed for a reimbursement claim. Do not complete form IWM-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form IWM-1 must be completed and a statement attached explaining the increased costs. Without this information the estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Reimbursable Activities: For each reimbursable activity, enter the total from form IWM-2, line (05), columns (d) through (h) to form IWM-1, block (04), columns (a) through (e) in the appropriate row. Total each row.
- (04) Total Direct Costs: Total column (f).
- (05) Indirect Cost Rate: Enter the indirect cost rate. Community college districts may use the federally approved OMBA-21, rate computed using form FAM-29C, or the 7% indirect cost rate, for the fiscal year of costs.
- (06) Total Indirect Costs: Enter the result of multiplying Total Salaries and Benefits, line (04)(a), by the Indirect Cost Rate, line (05)
- (07) Total Direct and Indirect Costs: Enter the sum of Total Direct Costs, line (04)(f), and Total Indirect Costs, line (06).
- (08) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (09) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (10) From Total Direct and Indirect Costs, line (07), subtract the sum of Offsetting Savings, line (08), and Other Reimbursements, line (09). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim or line (13) for the Reimbursement Claim.

Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant	(02) Fiscal Year
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation With Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b> Instructions	<b>FORM</b> <b>IWM-2</b>
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- (01) Claimant: Enter the name of the claimant.
- (02) Fiscal Year: Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Activities: Check the box that indicates the cost activity being claimed. Check only one box per form. A separate form IWM-2 shall be prepared for each applicable activity.
- (04) Description of Expenses: The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries</b>	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
<b>Benefits</b>	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost = Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost = Unit Cost x Usage		
<b>Travel and Training</b>	Purpose of Trip Name and Title	Per Diem Rate	Days					Cost = Rate x Days or Miles	
<b>Travel</b>	Departure and Return Date	Mileage Rate Travel Cost	Miles Travel Mode					or Total Travel Cost	
<b>Training</b>	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (h) to form IWM-1, block (04), columns (a) through (e) in the appropriate row.



OFFICE OF THE STATE CONTROLLER  
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2008-21  
INTEGRATED WASTE MANAGEMENT  
COMMUNITY COLLEGE DISTRICTS  
DECEMBER 1, 2008

Revised January 21, 2009

In accordance with Government Code (GC) Section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for filing claims for the Integrated Waste Management (IWM) program. These claiming instructions are issued subsequent to adoption of the program's Parameters and Guidelines (P's & G's) by the Commission on State Mandates (CSM).

On March 25, 2004, CSM determined that the test claim legislation established costs mandated by the State according to the provisions listed in the P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

**Eligible Claimants**

Any community college district that incurs increased costs as a result of this mandate is eligible to claim reimbursement of these costs.

**Requirements, Limitations, and Exceptions**

Form 1B for Alternative Compliance is to be completed only if the community college is unable to comply with the requirements of B.5. (Divert Solid Waste/Maintain Required Level) on Form 1A, pursuant to Reimbursable Activity C.1. or 2. as listed on page 6 of the P's and G's.

It is not mandatory to re-file claims for fiscal years in which there are no changes. In addition, if there is no "cost avoidance" to report and consequently no additional offsets to the original claim amounts, there is no need to re-file.

**Filing Deadlines**

**A. Reimbursement Claims**

A reimbursement claim is defined in GC Section 17522 as any claim filed with SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

In order for a claim to be considered properly filed, it must include documentation to support the indirect cost rate if the indirect cost rate exceeds seven percent. A full discussion of the indirect cost methods available to community colleges may be found in the P's & G's. Documentation to support actual costs must be kept on hand by the claimant and made available to SCO upon request as explained in the P's & G's.

2000 - 2007/08  
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Initial reimbursement claims must be filed within 120 days from the issuance date of the claiming instructions. Costs incurred for compliance with the mandated activities pursuant to Public Contract Code (PCC) Sections 12167 and 12167.1 are reimbursable for fiscal years 1999-00 and subsequent years. Seeking an alternative diversion goal or time extension pursuant to Public Resources Code Sections 42922, 42923, and 42927 are reimbursable from January 1, 2000, to December 31, 2005. All other costs incurred pursuant to Chapter 764, Statutes of 1999, are reimbursable for the period January 1, 2000, to June 30, 2000, and subsequent years. Actual claims must be filed with SCO and be delivered or postmarked on or before **March 31, 2009**. Claims for fiscal year 2008-09 must be delivered or postmarked on or before **February 16, 2010**, or a late fee will be assessed. **Claims filed more than one year after the deadline will not be accepted.**

#### **B. Estimated Claims**

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims filed on or after February 16, 2008, will not be accepted by SCO.

#### **Minimum Claim Cost**

GC Section 17564(a) provides that no claim may be filed pursuant to Sections 17551 and 17561, unless such claim exceeds one thousand dollars (\$1,000).

#### **Certification of Claim**

In accordance with the provisions of the Code of Civil Procedure Section 2015.5, an authorized officer of the claimant is required to provide a certification of claim stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of GC Section 17561, for the costs mandated by the State and contained herein.

#### **Audit of Costs**

All claims submitted to SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with SCO's claiming instructions and the P's & G's adopted by CSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college district for this mandate is subject to the initiation of an audit by SCO no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds are appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for SCO to initiate an audit shall commence to run from the date of initial payment of the claim.

In any case, an audit shall be completed no later than two years after the date that the audit was initiated. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by SCO as deemed necessary.

### **Retention of Claiming Instructions**

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

Questions, or requests for hard copies of these instructions, should be faxed to Angie Lowi-Teng at (916) 323-6527 or e-mailed to [ateng@sco.ca.gov](mailto:ateng@sco.ca.gov). Or, if you wish, you may call Angie of the Local Reimbursements Section at (916) 323-0706.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at [www.sco.ca.gov/ard/local/locreim/index.shtml](http://www.sco.ca.gov/ard/local/locreim/index.shtml).

### **Address for Filing Claims**

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents.

**To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

Amended: September 26, 2008

Adopted: March 30, 2005

## AMENDMENTS TO PARAMETERS AND GUIDELINES

Public Resources Code Sections 40148, 40196.3, 42920-42928

Public Contract Code Sections 12167 and 12167.1

Statutes 1999, Chapter 764 (A.B. 75)

Statutes 1992, Chapter 1116 (A.B. 3521)

State Agency Model Integrated Waste Management Plan (February 2000)

*Integrated Waste Management*

00-TC-07

Santa Monica and Lake Tahoe Community College Districts, Co-claimants

### I. SUMMARY OF THE MANDATE

On March 25, 2004, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Public Resources Code sections 40148, 40196.3, 42920-42928; Public Contract Code sections 12167 and 12167.1; and the State Agency Model Integrated Waste Management Plan (February 2000) require new activities, as specified below, which constitute new programs or higher levels of service for community college districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Specifically, the Commission approved this test claim for the increased costs of performing the following specific new activities:

- **Comply with the model plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000):** A community college must comply with the California Integrated Waste Management Board's (Board) model integrated waste management plan, which includes consulting with the Board to revise the model plan, as well as completing and submitting to the Board the following: (1) state agency or large state facility information form; (2) state agency list of facilities; (3) state agency waste reduction and recycling program worksheet, including the sections on program activities, promotional programs, and procurement activities; and (4) state agency integrated waste management plan questions.
- **Designate a solid waste reduction and recycling coordinator (Pub. Resources Code, § 42920, subd. (c)):** A community college must designate one solid waste reduction and recycling coordinator to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928), including implementing the community college's integrated waste management plan, and acting as a liaison to other state agencies (as defined by section 40196.3) and coordinators.

- **Divert solid waste (Pub. Resources Code, §§ 42921 & 42922, subd. (i)):** A community college must divert at least 25 percent of all its solid waste from landfill disposal or transformation facilities by January 1, 2002, through source reduction, recycling, and composting activities, and divert at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting.

A community college unable to comply with this diversion requirement may instead seek, until December 31, 2005, either an alternative requirement or time extension (but not both) as specified below:

- **Seek an alternative requirement (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b)):** A community college that is unable to comply with the 50-percent diversion requirement must: (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the 50-percent requirement; (3) participate in a public hearing on its alternative requirement; (4) provide the Board with information as to (a) the community college's good faith efforts to effectively implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board; (b) the community college's inability to meet the 50-percent diversion requirement despite implementing the measures in its plan; (c) the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve, and (d) relate to the Board circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.
- **Seek a time extension (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c)):** A community college that is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, must do the following pursuant to section 42923, subdivisions (a) and (c): (1) notify the Board in writing, detailing the reasons for its inability to comply; (2) request of the Board an alternative to the January 1, 2002 deadline; (3) provide evidence to the Board that it is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan; and (4) provide information to the Board that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college. (5) The community college must also submit a plan of correction that demonstrates that it will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be

implemented to meet those requirements, and the means by which these programs will be funded.

- **Report to the Board (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i)):** A community college must annually submit, by April 1, 2002 and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report is to encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (1) calculations of annual disposal reduction; (2) information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors; (3) a summary of progress implementing the integrated waste management plan; (4) the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste. (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.) (5) For a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension. (6) For a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.
- **Submit recycled material reports (Pub. Contract Code, § 12167.1):** A community college must annually report to the Board on quantities of recyclable materials collected for recycling.

*State of California, Department of Finance, California Integrated Waste Management Board v. Commission on State Mandates, et al. (Sacramento County Superior Court, Case No. 07CS00355)*

The Department of Finance and the Integrated Waste Management Board filed a petition for writ of mandate in March 2007, asking the court to set aside the Commission's decision granting the test claim and to require the Commission to issue a new Statement of Decision and parameters and guidelines that give full consideration to the community colleges' cost savings (e.g. avoided landfill disposal fees) and revenues (from recyclables) by complying with the test claim statutes. Petitioners' position was that the Commission had not properly accounted for all the offsetting cost savings from avoided disposal costs, or offsetting revenues from the sale of recyclable materials, in the Statement of Decision or parameters and guidelines. The Judgment and a Writ of Mandate were issued on June 30, 2008, ordering the Commission to:

1. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims, consistent with the directions for revenue in Public Contract code sections 12167 and 12167.1, cost savings realized as a result of implementing their plans; and



2. amend the parameters and guidelines in Test Claim No. 00-TC-07 to require community college districts claiming reimbursable costs of an integrated waste management plan under Public Resources Code section 42920, et seq. to identify and offset from their claims all of the revenue generated as a result of implementing their plans, without regard to the limitations or conditions described in sections 12167 and 12167.1 of the Public Contract Code.

## **II. ELIGIBLE CLAIMANTS**

Community college districts that incur increased costs as a result of this mandate are eligible to claim reimbursement.

## **III. PERIOD OF REIMBURSEMENT**

Government Code section 17557 states that a test claim must be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on March 9, 2001. Therefore, costs incurred for compliance with Public Contract Code sections 12167 and 12167.1 (Stats. 1992, ch. 1116) are eligible for reimbursement on or after July 1, 1999. However, because of the statute's operative date, all other costs incurred pursuant to Statutes 1999, chapter 764 are eligible for reimbursement on or after January 1, 2000.

Seeking an alternative diversion goal or time extension (Pub. Resources Code, §§ 42922, 42923, and 42927) is reimbursable until December 31, 2005.

Actual costs for one fiscal year should be included in each claim. Pursuant to Government Code section 17561, subdivision (d), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$1000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

## **IV. REIMBURSABLE ACTIVITIES**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, receipts, and the community college plan approved by the Board.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One-Time Activities (*Reimbursable starting January 1, 2000*)

1. Develop the necessary district policies and procedures for the implementation of the integrated waste management plan.
2. Train district staff on the requirements and implementation of the integrated waste management plan (one-time per employee). Training is limited to the staff working directly on the plan.

B. Ongoing Activities (*Reimbursable starting January 1, 2000*)

1. Complete and submit to the Board the following as part of the State Agency Model Integrated Waste Management Plan (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.):
  - a. state agency or large state facility information form;
  - b. state agency list of facilities;
  - c. state agency waste reduction and recycling program worksheets that describe program activities, promotional programs, and procurement activities, and other questionnaires; and
  - d. state agency integrated waste management plan questions.

NOTE: Although reporting on promotional programs and procurement activities in the model plan is reimbursable, implementing promotional programs and procurement activities is not.

2. Respond to any Board reporting requirements during the approval process. (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
3. Consult with the Board to revise the model plan, if necessary.<sup>1</sup> (Pub. Resources Code, § 42920, subd. (b)(3) & State Agency Model Integrated Waste Management Plan, February 2000.)
4. Designate one solid waste reduction and recycling coordinator ("coordinator") for each college in the district to perform new duties imposed by chapter 18.5 (Pub. Resources Code, §§ 42920 – 42928). The coordinator shall implement the integrated waste management plan. The coordinator shall act as a liaison to other state agencies (as defined by section 40196.3) and coordinators. (Pub. Resources Code, § 42920, subd. (c).)

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<sup>1</sup> Attachment 1, California Integrated Waste Management Board, State Agency Model Integrated Waste Management Plan (February 2000).

5. Divert at least 25 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2002, and at least 50 percent of all solid waste from landfill disposal or transformation facilities by January 1, 2004, through source reduction, recycling, and composting activities. Maintain the required level of reduction, as approved by the Board. (Pub. Resources Code, §§ 42921 & 42922, subd. (i).)

C. Alternative Compliance (*Reimbursable from January 1, 2000 – December 31, 2005*)

1. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2002 deadline to divert 25 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42923 subds. (a) & (c).)
  - a. Notify the Board in writing, detailing the reasons for its inability to comply.
  - b. Request of the Board an alternative to the January 1, 2002 deadline.
  - c. Provide evidence to the Board that the college is making a good faith effort to implement the source reduction, recycling, and composting programs identified in its integrated waste management plan.
  - d. Provide information that describes the relevant circumstances that contributed to the request for extension, such as lack of markets for recycled materials, local efforts to implement source reduction, recycling and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposed of by the community college.
  - e. Submit a plan of correction that demonstrates that the college will meet the requirements of Section 42921 [the 25 and 50 percent diversion requirements] before the time extension expires, including the source reduction, recycling, or composting steps the community college will implement, a date prior to the expiration of the time extension when the requirements of Section 42921 will be met, the existing programs that it will modify, any new programs that will be implemented to meet those requirements, and the means by which these programs will be funded.
2. Seek either an alternative requirement or time extension if a community college is unable to comply with the January 1, 2004 deadline to divert 50 percent of its solid waste, by doing the following: (Pub. Resources Code, §§ 42927 & 42922, subds. (a) & (b).)
  - a. Notify the Board in writing, detailing the reasons for its inability to comply.
  - b. Request of the Board an alternative to the 50-percent requirement.
  - c. Participate in a public hearing on its alternative requirement.
  - d. Provide the Board with information as to:
    - (i) the community college's good faith efforts to implement the source reduction, recycling, and composting measures described in its integrated waste management plan, and demonstration of its progress toward meeting the alternative requirement as described in its annual reports to the Board;
    - (ii) the community college's inability to meet the 50 percent diversion requirement despite implementing the measures in its plan;

- (iii) how the alternative source reduction, recycling, and composting requirement represents the greatest diversion amount that the community college may reasonably and feasibly achieve; and,
- (iv) the circumstances that support the request for an alternative requirement, such as waste disposal patterns and the types of waste disposed by the community college.

D. Accounting System (*Reimbursable starting January 1, 2000*)

Developing, implementing, and maintaining an accounting system to enter and track the college's source reduction, recycling and composting activities, the cost of those activities, the proceeds from the sale of any recycled materials, and such other accounting systems which will allow it to make its annual reports to the state and determine waste reduction. Note: only the pro-rata portion of the costs incurred to implement the reimbursable activities can be claimed.

E. Annual Report (*Reimbursable starting January 1, 2000*)

Annually prepare and submit, by April 1, 2002, and by April 1 each subsequent year, a report to the Board summarizing its progress in reducing solid waste. The information in the report must encompass the previous calendar year and shall contain, at a minimum, the following as outlined in section 42926, subdivision (b): (Pub. Resources Code, §§ 42926, subd. (a) & 42922, subd. (i).)

1. calculations of annual disposal reduction;
2. information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors;
3. a summary of progress made in implementing the integrated waste management plan;
4. the extent to which the community college intends to use programs or facilities established by the local agency for handling, diversion, and disposal of solid waste (If the college does not intend to use those established programs or facilities, it must identify sufficient disposal capacity for solid waste that is not source reduced, recycled or composted.);
5. for a community college that has been granted a time extension by the Board, it shall include a summary of progress made in meeting the integrated waste management plan implementation schedule pursuant to section 42921, subdivision (b), and complying with the college's plan of correction, before the expiration of the time extension;
6. for a community college that has been granted an alternative source reduction, recycling, and composting requirement by the Board pursuant to section 42922, it shall include a summary of progress made towards meeting the alternative requirement as well as an explanation of current circumstances that support the continuation of the alternative requirement.

F. Annual Recycled Material Reports (*Reimbursable starting July 1, 1999*)

Annually report to the Board on quantities of recyclable materials collected for recycling. (Pub. Contract Code, § 12167.1.)

V. **CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element

A.1., Salaries and Benefits, for each applicable reimbursable activity.

#### 6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1., Salaries and Benefits, and A.2., Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3., Contracted Services.

#### B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost Principles of Educational Institutions"; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

### VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

### VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Reimbursement for this mandate from any source, including but not limited to, services fees

collected, federal funds, and other state funds allocated to any service provided under this program, shall be identified and offset from this claim. Offsetting revenue shall include all revenues generated from implementing the Integrated Waste Management Plan.

In addition, revenue from a building-operating fee imposed pursuant to Education Code section 76375, subdivision (a) if received by a claimant and the revenue is applied to this program, shall be deducted from the costs claimed.

#### **VIII. OFFSETTING COST SAVINGS**

Reduced or avoided costs realized from implementation of the community college districts' Integrated Waste Management plans shall be identified and offset from this claim as cost savings, consistent with the directions for revenue in Public Contract Code sections 12167 and 12167.1. Pursuant to these statutes, community college districts are required to deposit cost savings resulting from their Integrated Waste Management plans in the Integrated Waste Management Account in the Integrated Waste Management Fund; the funds deposited in the Integrated Waste Management Account, upon appropriation by the Legislature, may be expended by the California Integrated Waste Management Board for the purpose of offsetting Integrated Waste Management plan costs. Subject to the approval of the California Integrated Waste Management Board, cost savings by a community college that do not exceed two thousand dollars (\$2,000) annually are continuously appropriated for expenditure by the community college for the purpose of offsetting Integrated Waste Management program costs. Cost savings exceeding two thousand dollars (\$2,000) annually may be available for expenditure by the community college only when appropriated by the Legislature. To the extent so approved or appropriated and applied to the college, these amounts shall be identified and offset from the costs claimed for implementing the Integrated Waste Management Plan.

#### **IX. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS**

The Controller shall, within 60 days after receiving amended parameters and guidelines prepare and issue revised claiming instructions for mandates that require state reimbursement after any decision or order of the commission pursuant to section 17559. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission. Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (Gov. Code, § 17558, subdivision (c).)

If revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between November 15 and February 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

#### **X. REMEDIES BEFORE THE COMMISSION**

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the

Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

#### **XI. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.



<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>		For State Controller Use Only (19) Program Number 00256 (20) Date Filed (21) LRS Input		Program <b>256</b>
(01) Claimant Identification Number		Reimbursement Claim Data		
(02) Claimant Name		(22) FORM-1, (04)(f)		
Address		(23) FORM-1, (05)		
		(24) FORM-1, (08)		
		(25) FORM-1, (09)		
Type of Claim	Estimated Claim	Reimbursement Claim	(26) FORM-1, (10)	
	(03) Estimated	(09) Reimbursement <input type="checkbox"/>	(27)	
	(04) Combined	(10) Combined <input type="checkbox"/>	(28)	
	(05) Amended	(11) Amended <input type="checkbox"/>	(29)	
Fiscal Year of Cost	(06)	(12)	(30)	
Total Claimed Amount	(07)	(13)	(31)	
Less: Late Penalty (refer to claiming instructions)		(14)	(32)	
Less: Prior Claim Payment Received		(15)	(33)	
Net Claimed Amount		(16)	(34)	
Due from State	(08)	(17)	(35)	
Due to State		(18)	(36)	
<p><b>(37) CERTIFICATION OF CLAIM</b></p> <p>In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the community college to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for the Reimbursement Claim are hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer		Date		
_____		_____		
Type or Print Name		Title		
_____		_____		
(38) Name of Contact Person for Claim		Telephone Number _____		
_____		E-mail Address _____		

<b>Program 256</b>	<b>INTEGRATED WASTE MANAGEMENT CERTIFICATION CLAIM FORM INSTRUCTIONS</b>	<b>FORM FAM-27</b>
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Leave blank.
- (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from Form-1A, line (11). The total claimed amount must exceed \$1,000.
- (14) Reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims will be reduced by a late penalty. Enter zero if the claim was timely filed, otherwise, enter the product of multiplying line (13) by the factor 0.10 (10 % penalty), not to exceed \$10,000.
- (15) If filing a reimbursement claim or a claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., Form-1, (04)(f), means the information is located on Form-1, block (04), column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the district's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

**SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:**

*Address, if delivered by U.S. Postal Service:*

OFFICE OF THE STATE CONTROLLER  
 ATTN: Local Reimbursements Section  
 Division of Accounting and Reporting  
 P.O. Box 942850  
 Sacramento, CA 94250

*Address, if delivered by other delivery service:*

OFFICE OF THE STATE CONTROLLER  
 ATTN: Local Reimbursements Section  
 Division of Accounting and Reporting  
 3301 C Street, Suite 500  
 Sacramento, CA 95816

Program <b>256</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  CLAIM SUMMARY</b>	FORM <b>1A</b>
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(01) Claimant	(02) Type of Claim Reimbursement	Fiscal Year
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Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>A. One-Time Activity</b>						
1. Develop Policies and Procedures						
2. Train District Staff on IWM Plan						
<b>B. Ongoing Activities</b>						
1. Complete and Submit IWM Plan to Board						
2. Respond to Board Requirements						
3. Consult with Board to Revise Plan						
4. Designate Coordinator for Each College						
5. Divert Solid Waste/Maintain Required Level						
<b>(04) Total Direct Costs</b>						

<b>Indirect Costs</b>		
(05) Indirect Cost Rate	[Refer to Claiming Instructions]	
(06) Total Indirect Costs	[Refer to Claiming Instructions]	
(07) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	
(08) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	

<b>Cost Reduction</b>		
(09) Less: Offsetting Savings		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) - {(line (09) + line (10))}]	

<b>Program</b>  <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b>  <b>1A</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Reimbursable Activities. For each reimbursable activity, enter the totals from form Form-2A, line (09), columns (d) through (h), to form Form-1A, block (03), columns (a) through (e), in the appropriate row. Total each row.
- (B)(5) Divert Solid Waste/Maintain Required Level. If this activity is claimed, Form 1B for Alternative Compliance must not be completed.**
- (04) Total Direct Costs. Total columns (a) through (f).
- (05) Use the SCO FAM-29C, Flat 7%, or Federally Approved OMB A-21 methodology if specifically allowed by the P's and G's for this program. **See the Community College Mandated Cost Manual, Section 9, Indirect Costs for important instructions on claiming indirect costs using the Federally Approved OMB A-21 Rate for electronic claims.**
- (06) Enter the result of multiplying *Salaries and Benefits Only*, line (04)(a), by the *Indirect cost rate*, line (05).
- (07) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (04)(f), and Total Indirect Costs, line (06).
- (08) Enter the sum total of Forms 1A, 1B and 1C here.
- (09) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate, such as reduction in disposal costs, staff reductions (including benefits), materials and supplies (less purchases due to re-use), elimination of storage, reduction in transportation costs, equipment, and any other relevant reduction in costs. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, sale of recyclables, sale of surplus equipment, service fees collected, federal funds, and other state funds, which reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) Total Claimed Amount. From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

Program <b style="font-size: 24pt;">256</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  CLAIM SUMMARY</b>	FORM <b style="font-size: 24pt;">1B</b>
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(01) Claimant	(02) Type of Claim Reimbursement	Fiscal Year
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**C. Alternative Compliance (From 01/01/2000 to 12/31/2005) Do not complete if B5 on Form 1A is claimed.**

(03) Reimbursable Activities: **Choose either 1 or 2, as applicable.**

Direct Costs		Object Accounts					
1.	Alternative Requirement of Time Extension (If unable to comply with 01/01/02 deadline to divert 25% of solid waste per PRC §§ 42927 & 42923 (a) & (c))	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
a.	Provide Written Notification to the Board						
b.	Request Alternative from the Board						
c.	Provide Evidence to the Board						
d.	Provide Relevant Information						
e.	Submit Plan of Correction						
(04) Total Direct Costs							

Direct Costs		Object Accounts					
2.	Alternative Requirement of Time Extension (If unable to comply with 01/01/04 deadline to divert 25% of solid waste per PRC §§ 42927 & 42922 (a) & (b))	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
a.	Provide Written Notification to the Board						
b.	Request Alternative from the Board						
c.	Participate in Public Hearing						
d.	Provide Information to the Board						
(04) Total Direct Costs							

<b>Indirect Costs</b>	
(05) Indirect Cost Rate	[Refer to Claiming Instructions]
(06) Total Indirect Costs	[Refer to Claiming Instructions]
(07) Total Direct and Indirect Costs	[Line (05)(f) + line (06)] [Forward total to Form-1A, line (08)]

Program <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	FORM <b>1B</b>
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This form is to be completed only if the community college is unable to comply with the reimbursable activity, listed on the P's and G's page 6, under IV. REIMBURSABLE ACTIVITIES, B.5., Ongoing Activities, and listed on Form-1A as Divert Solid Waste/Maintain Required Level.

Choose either Reimbursable Activity 1 or 2, as applicable.

If the community college is unable to comply with the **January 1, 2002**, deadline to divert at least **25%** of all solid waste from landfill disposal or transformation facilities, complete **Reimbursable Activity 1**.

If the community college is unable to comply with the **January 1, 2004**, deadline to divert at least **50%** of all solid waste from landfill disposal or transformation facilities, complete **Reimbursable Activity 2**.

- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of claim.
- (03) Reimbursable Activities. For each reimbursable activity, enter the total from form 2B, line (09), columns (d) through (h) to form 1A, block (03), columns (a) through (e) in the appropriate row. Total each row.
- (04) Total Direct Costs. Total columns (a) through (f).
- (05) Use the SCO FAM-29C, Flat 7%, or Federally Approved OMB A-21 methodology if specifically allowed by the P's and G's for this program. **See the Community College Mandated Cost Manual, Section 9, Indirect Costs for important instructions on claiming indirect costs using the Federally Approved OMB A-21 Rate for electronic claims.**
- (06) Depending on the direct cost method used, enter the result of multiplying *Salaries and Benefits Only*, line (04)(1)(a) or line (04)(2)(a), by the *Indirect cost rate*, line (05).
- (07) Total Direct and Indirect Costs. Actual Cost Method: Enter the sum of Total Direct Costs, line (04)(f), and Total Indirect Costs, line (06). Forward this amount to Form-1A, line (08).

<b>Program</b> <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>						<b>FORM</b> <b>1C</b>
(01) Claimant				(02) Type of Claim Reimbursement		Fiscal Year	
<b>Direct Costs</b>		<b>Object Accounts</b>					
(03)	Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
D.	Accounting System	Reimbursement begins January 1, 2000					
1.	Develop, Implement & Maintain System						
E.	Annual Report of Progress	Reimbursement begins January 1, 2000					
1.	Calculations of Annual Disposal Reduction						
2.	Information on the Changes						
3.	Summary of Process Made in IWM Plan						
4.	The Extent of CCD's Use of IWM Plan						
5.	Time Extension Summary of Progress						
6.	Alternative Reduction Summary of Progress						
F.	Annual Recycled Material Reports	Reimbursement begins July 1, 1999					
1.	Annual Report to the Board						
(04) Total Direct Costs							
<b>Indirect Costs</b>							
(05) Indirect Cost Rate				[Refer to Claiming Instructions]			
(06) Total Indirect Costs				[Refer to Claiming Instructions]			
(07) Total Direct and Indirect Costs				[Line (04)(f) + line (06)] [Forward total to Form-1A, line (08)]			

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>1C</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Reimbursable Activities. For each reimbursable activity, enter the totals from form Form-2C, line (09), columns (d) through (h), to form Form-1C, block (03), columns (a) through (e), in the appropriate row. Total each row.
- (B)(5) Divert Solid Waste/Maintain Required Level. If this activity is claimed, Form 1B for Alternative Compliance must not be completed.
- (04) Total Direct Costs. Total columns (a) through (f).
- (05) Use the SCO FAM-29C, Flat 7%, or Federally Approved OMB A-21 methodology if specifically allowed by the P's and G's for this program. **See the Community College Mandated Cost Manual, Section 9, Indirect Costs for important instructions on claiming indirect costs using the Federally Approved OMB A-21 Rate for electronic claims.**
- (06) Enter the result of multiplying *Salaries and Benefits Only*, line (04)(a), by the *Indirect cost rate*, line (05).
- (07) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (04)(f), and Total Indirect Costs, line (06). Forward this total to Form-1A, line (08).



Program <h1 style="margin:0;">256</h1>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  COMPONENT/ACTIVITY COST DETAIL</b>	FORM <h1 style="margin:0;">2A</h1>
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(01) Claimant	(02) Fiscal Year
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(03) If filing a combined claim, enter the combined claimant name below Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below Electronic Claim Only
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(05) Indirect Cost Rate Electronic Claim Only	(06) Indirect Cost Rate Base Electronic Claim Only
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(07) Reimbursable Components: Check only one box per form to identify the activity being claimed.

<p><b>One-Time Activities</b></p> <p><input type="checkbox"/> Development of Policies and Procedures</p> <p><input type="checkbox"/> Train District Staff on IWM Plan</p>	<p><b>Ongoing Activities</b></p> <p><input type="checkbox"/> Complete and Submit of IWM Plan to Board</p> <p><input type="checkbox"/> Respond to Board Requirements</p> <p><input type="checkbox"/> Consult with Board to Revise Plan</p> <p><input type="checkbox"/> Designate Coordinator for Each College</p> <p><input type="checkbox"/> Divert Solid Waste/Maintain Required Level</p>
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(08) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training

(09) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ____ of ____					
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Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT                  COMPONENT/ACTIVITY COST DETAIL                  INSTRUCTIONS</b>	FORM <b>2A</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Reimbursable Activities. Check the box that indicates the activity being claimed. Check only one box per form. A separate Form-2 must be prepared for each applicable activity.
- (08) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries and Benefits	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked  Inclusive Dates of Service			Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Total Travel Cost = Rate x Days or Miles	
	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (09) Total line (08), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (09), columns (d) through (h) to Form-1A, block (03), columns (a) through (e) in the appropriate row.

Program <b>256</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  COMPONENT/ACTIVITY COST DETAIL</b>	FORM <b>2B</b>
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(01) Claimant	(02) Fiscal Year
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(03) If filing a combined claim, enter the combined claimant name below: Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below: Electronic Claim Only
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(05) Indirect Cost Rate: Electronic Claim Only	(06) Indirect Cost Rate Base: Electronic Claim Only
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(07) Reimbursable Components: Check only one box per form to identify the activity being claimed.

<b>1. Alternative Requirement or Time</b> <input type="checkbox"/> Provide Written Notification to the Board <input type="checkbox"/> Request Alternative from the Board <input type="checkbox"/> Provide Evidence to the Board <input type="checkbox"/> Provide Relevant Information <input type="checkbox"/> Submit Plan of Correction	<b>2. Alternative Requirement or Time Extension</b> <input type="checkbox"/> Provide Written Notification to the Board <input type="checkbox"/> Request Alternative from the Board <input type="checkbox"/> Participate in Public Hearing <input type="checkbox"/> Provide Information to the Board
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(08) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training

(09) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___					
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Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT                  COMPONENT/ACTIVITY COST DETAIL                  INSTRUCTIONS</b>	FORM <b>2B</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Reimbursable Activities. Check the box that indicates the activity being claimed. Check only one box per form. A separate Form-2 must be prepared for each applicable activity.
- (08) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries and Benefits	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Salaries								
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor  Specific Tasks Performed	Hourly Rate	Hours Worked  Inclusive Dates of Service			Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate  Mileage Rate Travel Cost	Days Miles  Travel Mode					Total Travel Cost = Rate x Days or Miles	
	Travel								
Training	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (09) Total line (08), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (09), columns (d) through (h) to Form-1A, block (03), columns (a) through (e) in the appropriate row.

<b>Program</b>  <span style="font-size: 24pt;"><b>256</b></span>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>COMPONENT/ACTIVITY COST DETAIL</b>	<b>FORM</b>  <span style="font-size: 24pt;"><b>2C</b></span>
--	--	--

(01) Claimant	(02) Fiscal Year
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(03) If filing a combined claim, enter the combined claimant name below Electronic Claim Only	(04) If filing by departments with different indirect cost rates, enter the department name below Electronic Claim Only
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(05) Indirect Cost Rate Electronic Claim Only	(06) Indirect Cost Rate Base Electronic Claim Only
--	---

(07) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<b>D. Accounting System</b>  <input type="checkbox"/> Develop, Implement & Maintain System	<b>E. Annual Report of Progress</b>  <input type="checkbox"/> Calculations of Annual Disposal Reduction
<b>F. Annual Recycled Material Reports</b>  <input type="checkbox"/> Annual Report to the Board	<input type="checkbox"/> Information on the Changes  <input type="checkbox"/> Summary of Progress Made in IWM Plan  <input type="checkbox"/> The Extent of CCD's Use of IWM Plan  <input type="checkbox"/> Time Extension Summary of Progress  <input type="checkbox"/> Alternative Reduction Summary of Progress

(08) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training

(09) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___						
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<b>Program</b> <span style="font-size: 2em;"><b>256</b></span>	<b>INTEGRATED WASTE MANAGEMENT                  COMPONENT/ACTIVITY COST DETAIL                  INSTRUCTIONS</b>	<b>FORM</b> <span style="font-size: 2em;"><b>2C</b></span>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Reimbursable Activities. Check the box that indicates the activity being claimed. Check only one box per form. A separate Form-2 must be prepared for each applicable activity.
- (08) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries and Benefits</b>	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	Name of Contractor  Specific Tasks Performed	Hourly Rate	Hours Worked  Inclusive Dates of Service			Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
<b>Travel and Training</b>	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Total Travel Cost = Rate x Days or Miles	
Training	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (09) Total line (08), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (09), columns (d) through (h) to Form-1A, block (03), columns (a) through (e) in the appropriate row.







## FILING A CLAIM

### 1. Introduction

The law in the State of California, (GC Sections 17500 through 17617), provides for the reimbursement of costs incurred by community college districts (CCD) for costs mandated by the State. Costs mandated by the State means any increased costs which a CCD is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

Estimated claims that show costs to be incurred in the current fiscal year and reimbursement claims that detail the costs actually incurred for the prior fiscal year may be filed with the State Controller's Office (SCO). Claims for on-going programs are filed annually by January 15. Claims for new programs are filed within 120 days from the date claiming instructions are issued for the program. A 10 percent penalty, up to \$1,000 for continuing claims, no limit for initial claims, is assessed for late claims. The SCO may audit the records of any CCD to verify the actual amount of mandated costs and may reduce any claim that is excessive or unreasonable.

When a program has been reimbursed for three or more years, the Commission on State Mandates (COSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement do not file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds are made available.

The instructions contained in this manual are intended to provide general guidance for filing a mandated cost claim. Since each mandate is administered separately, it is important to refer to the specific program for information relating to established policies on eligible reimbursable costs.

### 2. Types of Claims

There are three types of claims: Reimbursement, estimated, and entitlement. A claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year or may file an estimated claim for mandated costs to be incurred during the current fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable. The claim must be filed with sufficient documentation to support the costs claimed. The types of documentation required to substantiate a claim are identified in the instructions for the program. The certification of claim, form FAM-27, must be signed and dated by the entity's authorized officer in order for the SCO to make payment on the claim.

**A. Reimbursement Claim**

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. The claim must include supporting documentation to substantiate the costs claimed.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal years of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual reimbursement claims must be filed by January 15 following the fiscal year in which costs were incurred for the program. A reimbursement claim must detail the costs actually incurred in the prior fiscal year.

An actual claim for 2005-06 fiscal year, may be filed by January 15, 2007 without a late penalty. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$1,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.

**B. Estimated Claim**

An estimated claim is defined in GC Section 17522 as any claim filed with the SCO, during the fiscal year in which the mandated costs are to be incurred by the CCD, against an appropriation made to the SCO for the purpose of paying those costs.

An estimated claim may be filed in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times for estimated costs to be incurred during the current fiscal year. Annual estimated claims are due January 15 of the fiscal year in which the costs are to be incurred. Initial estimated claims are due on the date specified in the claiming instructions. Timely filed estimated claims are paid before those filed after the deadline.

After receiving payment for an estimated claim, the claimant must file a reimbursement claim by January 15 following the fiscal year in which costs were incurred. If the claimant fails to file a reimbursement claim, monies received for the estimated claims must be returned to the State.

**C. Entitlement Claim**

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should be filed by January 15, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

Once a mandate has been included in SMAS and the claimant has established a base year entitlement, the claimant will receive automatic payments from the SCO for the mandate. The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the COSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three

year base period is adjusted according to any changes by both the deflator and average daily attendance. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

A base year entitlement is determined by computing an average of the claimant's costs for any three consecutive years after the program has been approved for the SMAS process. The amount is first adjusted according to any changes in the deflator. The deflator is applied separately to each year's costs for the three years, which comprise the base year. The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

### **3. Minimum Claim Amount**

For initial claims and annual claims filed on or after September 30 2002, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by GC Section 17564.

### **4. Filing Deadline for Claims**

Initial reimbursement claims (first-time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date of issuance of the program's claiming instructions by the SCO. If the initial reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% penalty. A claim filed more than one year after the deadline cannot be accepted for reimbursement.

Annual reimbursement claims for costs incurred during the previous fiscal year and estimated claims for costs to be incurred during the current fiscal year must be filed with the SCO and postmarked on or before January 15. If the annual or estimated reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$1,000. Claims must include supporting data to show how the amount claimed was derived. Without this information, the claim cannot be accepted.

Entitlement claims do not have a filing deadline. However, entitlement claims and supporting documents should be filed by January 15 to permit an orderly processing of claims. Entitlement claims are used to establish a base year entitlement amount for calculating automatic annual payments. Entitlement does not result in the claimant being reimbursed for costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

### **5. Payment of Claims**

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer.

Reimbursement and estimated claims are paid within 60 days of the filing deadline for the claim, or 15 days after the date the appropriation for the claim is effective, whichever is later. A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs. The 20 percent withheld is not subject to accrued interest.

In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature, which consider appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the COSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. When the supplementary funds are made available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the COSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the COSM. The SCO determines allowable reimbursable costs, subject to amendment by the COSM, for mandates funded by special legislation. Unless specified, allowable costs are those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops general education, and travel costs.

## **6. State Mandates Apportionment System (SMAS)**

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the COSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the Implicit Price Deflator (IPD), which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the COSM's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of apportionment is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and average daily attendance.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any

claim filed by CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the COSM.

## 7. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Each claimed reimbursable cost must be supported by documentation as described in Section 12. Costs that are typically classified as direct costs are:

### (1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

#### (a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800\* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claim must include a computation of how these hours were computed.

\* 1,800 annual productive hours excludes the following employee time:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

#### (b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

**Table 1: Productive Hourly Rate, Annual Salary + Benefits Method**

<b>Formula:</b>	<b>Description:</b>
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

**Table 2: Productive Hourly Rate, Percent of Salary Method**

<b>Example:</b>		
<b>Step 1: Fringe Benefits as a Percent of Salary</b>		<b>Step 2: Productive Hourly Rate</b>
Retirement	15.00 %	<b>Formula:</b> $[(EAS \times (1 + FBR)) \div APH] = PHR$  $[(\$26,000 \times (1.3115)) \div 1,800] = \$18.94$
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
<b>Total</b>	<b>31.15 %</b>	
<b>Description:</b>		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 3, both methods produce the same productive hourly rate.
- Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, workmen's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:
- The amount of compensation is reasonable for the service rendered.
  - The compensation paid and benefits received are appropriately authorized by the governing board.
  - Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
  - The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position, perform an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

**(c) Calculating an Average Productive Hourly Rate**

In those instances where the parameters and guidelines allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

**Table 3: Calculating an Average Productive Hourly Rate**

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is \$45.88/5.50 hrs. = \$8.34			

**(d) Employer's Fringe Benefits Contribution**

A CCD has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them.

For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

**(e) Materials and Supplies**

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the

number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity, and cost. Purchases in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

**(f) Calculating a Unit Cost for Materials and Supplies**

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

**Table 1: Calculating A Unit Cost for Materials and Supplies**

Supplies	<u>Cost Per Unit</u>	<u>Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

**Table 2: Calculating a Unit Cost for Materials and Supplies**

Supplies	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50/25).

**(g) Contract Services**

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the P's & G's for the mandated program. The contractor's



invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim.

**(h) Equipment Rental Costs**

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate is reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

**(i) Capital Outlay**

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the parameters and guidelines for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

**(j) Travel Expenses**

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking with receipts required for charges over \$10.00.

**(k) Documentation**

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

**8. Indirect Costs**

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C) outlined in the following paragraphs. If specifically allowed by a mandated program's P's & G's, a district may alternately choose to claim indirect costs using either (1) a federally approved rate prepared in

accordance with Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate.

The SCO developed FAM-29C to be consistent with OMB Circular A-21, cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The FAM-29C methodology uses a direct cost base comprised of salary and benefit costs and operating expenses. Form FAM-29C provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses total expenditures that districts report in their *California Community Colleges Annual Financial and Budget Report (CCFS-311)*, Expenditures by Activity for the General Fund – Combined. The computation excludes Capital Outlay and Other Outgo in accordance with OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with OMB Circular A-21.

OMB Circular A-21, Section C.4, states that cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b. states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include Operation and Maintenance of Plant; Planning, Policy Making, and Coordination; General Institutional Support Services (excluding Community Relations); and depreciation or use allowance. Community Relations includes fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as a direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST					FORM	
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FAM 29-C	
(1) Claimant			(02) Period of Claim			
Activity	EDP	Total Costs Per CCFS-311	Less: Capital Outlay and Other Outgo	FAM 29-C Adjusted Total	Indirect	Direct
Instructional Activities	599	\$ 51,792,408	\$ (230,904)	\$ 51,561,504		\$ 51,561,504
Instruct. Admin. & Instruct. Governance	6000	6,882,034	(216,518)	6,665,516		6,665,516
Instructional Support Services	6100	4,155,095	(9,348)	4,145,747		4,145,747
Admissions and Records	6200	2,104,543	(3,824)	2,100,719		2,100,719
Student Counseling and Guidance	6300	4,570,658	(1,605)	4,569,053		4,569,053
Other Student Services	6400	5,426,510	(41,046)	5,385,464		5,385,464
Operation and Maintenance of Plant	6500	8,528,585	(111,743)	8,416,842	8,416,842	
Planning, Policy Making, and Coordination	6600	5,015,333	(23,660)	4,991,673	4,991,673	
General Institutional Support Services	6700			-		
Community Relations	6710	885,089	(6,091)	878,998		878,998
Fiscal Operations	6720	1,891,424	(40,854)	1,850,570	1,850,570	
Human Resources Management	6730	1,378,288	(25,899)	1,352,389	1,352,389	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,011,060		1,011,060	1,011,060	
Staff Development	6750	108,655	(8,782)	99,873	99,873	
Staff Diversity	6760	30,125		30,125	30,125	
Logistical Services	6770	2,790,091	(244,746)	2,545,345	2,545,345	
Management Information Systems	6780	2,595,214	(496,861)	2,098,353	2,098,353	
Other General Institutional Support Services	6790	33,155	(4,435)	28,720	28,720	
Community Services and Economic Development	6800	340,014		340,014		340,014
Ancillary Services	6900	1,148,730	(296)	1,148,434		1,148,434
Auxiliary Operations	7000			-		-
Depreciation or Use Allowance - Building				-	2,620,741	
Depreciation or Use Allowance - Equipment				-	1,706,396	
				-		
<b>Totals</b>		<u>\$100,687,011</u>	<u>\$ (1,466,612)</u>	<u>\$ 99,220,399</u>	<u>\$26,752,087</u>	<u>\$ 76,795,449</u>
					(A)	(B)
<b>Indirect Cost Rate (A)/(B)</b>					<u>34.84%</u>	

## 9. Time Study Guidelines

### Background

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing CCD costs mandated by the state that meets certain conditions specified in GC Section 17518.5(a). For costs incurred prior to January 1, 2005, a time study can only be substituted for continuous records of actual time spent for a specific fiscal year if the program's P's & G's allows for the use of time studies.

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study, which are described below. Application of time study results is restricted. As explained in Time Study Results below, the results may be projected forward a maximum of two years provided the claimant meets certain criteria.

### Actual Time Reporting

The P's & G's define reimbursable activities for each mandated cost program. (Some P's & G's refer to reimbursable activities as reimbursable components.) When employees work on multiple activities and/or programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards (which clarify documentation requirements discussed under the Reimbursable Activities section of recent P's & G's):

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for time distribution.

### Time Study

In certain cases, a time study may be used to substitute for continuous records of actual time spent on multiple activities and/or programs. An effective time study requires that an activity be a task that is repetitive in nature. Activities that require a varying level of effort are not appropriate for time studies.

### Time Study Plan

A time study plan is necessary before conducting the time study. The claimant must retain the time study plan for audit purposes. The plan needs to identify the following:

- Time period(s) to be studied – The plan must show that all time periods selected are representative of the fiscal year, and that the results can be reasonably projected to approximate actual costs.
- Activities and/or programs to be studied – For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's P's & G's, which are derived from the program's Statement of Decision. If a reimbursable activity in the P's & G's identifies separate and distinct sub-activities, they must also be treated as individual activities.

For example, sub-activities (a), (b), and (c) under reimbursable activity (B)(1) of the local agency's Domestic Violence Treatment Services: Authorization and Case Management program relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. These sub-activities do not have to be separately studied.

- Process used to accomplish each reimbursable activity – Use flowcharts or similar analytical tools and/or written desk procedures to describe the process for each activity.
- Employee universe – The employee universe used in the time study must include all positions whose salaries and wages are to be allocated by means of the time study.
- Employee sample selection methodology – The plan must show that employees selected are representative of the employee universe, and the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations.
- Time increments to be recorded – The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) might be used for employees performing only a few functions that change very slowly over time. Very small increments (a number of minutes) may be needed for employees performing more short-term tasks.

Random moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

### Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee (electronic signatures are acceptable) and be supported by corroborating evidence which validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

### Time Study Results

Time study results must be summarized to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained.

Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant may not apply time study results retroactively.

- Annual Reimbursement Claims – Claimants may use time studies to support costs incurred on or after January 1, 2005. Claimants may not use time studies for the period July 1, 2004,

through December 31, 2004, unless (1) the program's P's & G's specifically allow time studies, and (2) the time study is prepared based on mandated activity occurring between July 1, 2004, and December 31, 2004.

- Initial Claims – When filing an initial claim for new mandated programs, claimants may only use time study results for costs incurred on or after January 1, 2005. Claimants may not use time studies to support costs incurred before January 1, 2005, unless (1) the program's P's & G's specifically allow time studies, and (2) the claimant prepares separate time studies for each fiscal year preceding January 1, 2005, based on mandated activity occurring during those years.

When projecting time study results, the claimant must certify that there have been no significant changes between years in either: (1) the requirements of each mandated program activity or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain corroborating evidence that validates the mandated activity was actually performed. Time study results used to support subsequent years' claims are subject to the recordkeeping requirements for those claims.

#### 10. Offset Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

##### Example 1:

As illustrated in Table 5, this example shows how the "Offset against State Mandated Claims" is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each of the situations equals \$100,000.

**Table 5: Offset Against State Mandates, Example 1**

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

\* CCD share is \$50,000 of the program cost.

Numbers (1) through (4), in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500, and claimable costs are \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

#### Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to approve costs.

**Table 6: Offset Against State Mandates, Example 2**

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

\*\* CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

#### Federal and State Funding Sources

State school fund apportionments and federal aid for education, which are based on average daily attendance and are part of the general system of financing public schools as well as block grants which do not provide for specific reimbursement of costs (i.e., allocation formulas not tied to expenditures), should not be included as reimbursements from local assistance revenue sources.

#### Governing Authority

The costs of salaries and expenses of the governing authority, such as the school superintendent and governing board, are not reimbursable. These are costs of general government as described in the Office of Management and Budget Circular (OMB) 2 CFR Part 225.

### 11. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. If any adjustments are made to a claim, the claimant will receive a "Notice of Claim Adjustments" detailing adjustments made by the SCO.

### 12. Audit of Costs

All claims submitted to the State Controller's Office (SCO) are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment will be mailed within 30 days after payment of the claim.

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by CCD pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for three years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

### 13. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing a CCD mandated by the state that meets certain conditions specified in 17518.5(a). For costs incurred prior to January 1, 2005, time study can substitute for continuous records of actual time spent for a specific fiscal year only if the program's P's & G's allow for the use of time studies.



## 14. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file an estimated or reimbursement claim. The SCO will revise the manual and claim forms as necessary.

### A. Form-2, Component/Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant and copies of supporting documentation, as specified in the claiming instructions, must be submitted with the claims. All supporting documents must be retained for a period of not less than three years after the reimbursement claim was filed or last amended.

### B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

A CCD has the option of using a federally approved rate (i.e., utilizing the cost accounting principles from the Office of Management and Budget (OMB) 2 CFR Part 225) or from FAM-29C.

### C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 is required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment, and all other forms and supporting documents (**To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**) Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
Other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

## 15. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the School Mandated Cost Manual and the old forms they replace should be removed. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the

year will be placed on the SCO's web site at [www.sco.ca.gov/ard/local/locreim/index.shtml](http://www.sco.ca.gov/ard/local/locreim/index.shtml).

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or send e-mail to [lrsdar@sco.ca.gov](mailto:lrsdar@sco.ca.gov), or call the Local Reimbursements Section at (916) 324-5729.

#### **16. Retention of Claim Records and Supporting Documentation**

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and that the claim was prepared in accordance with the SCO's claiming instructions and the COSM's P's and G's. If any adjustments are made to a claim, a "Notice of Claim Adjustments" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a school district is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the SCO to initiate an audit shall commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and shall be made available to the SCO on request.



## FILING A CLAIM

### 1. Introduction

The law in the State of California, (GC Sections 17500 through 17617), provides for the reimbursement of costs incurred by community college districts (CCD) for costs mandated by the State. Costs mandated by the State means any increased costs which a CCD is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

Estimated claims that show costs to be incurred in the current fiscal year and reimbursement claims that detail the costs actually incurred for the prior fiscal year may be filed with the State Controller's Office (SCO). Claims for on-going programs are filed annually by February 15. Claims for new programs are filed within 120 days from the date claiming instructions are issued for the program. A 10 percent penalty, up to \$10,000 for continuing claims, no limit for initial claims, is assessed for late claims. The SCO may audit the records of any CCD to verify the actual amount of mandated costs and may reduce any claim that is excessive or unreasonable.

When a program has been reimbursed for three or more years, the Commission on State Mandates (COSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement do not file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds are made available.

The instructions contained in this manual are intended to provide general guidance for filing a mandated cost claim. Since each mandate is administered separately, it is important to refer to the specific program for information relating to established policies on eligible reimbursable costs.

### 2. Types of Claims

There are three types of claims: Reimbursement, estimated, and entitlement. A claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year or may file an estimated claim for mandated costs to be incurred during the current fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable. The claim must be filed with sufficient documentation to support the costs claimed. The types of documentation required to substantiate a claim are identified in the instructions for the program. The certification of claim, form FAM-27, must be signed and dated by the entity's authorized officer in order for the SCO to make payment on the claim.

**A. Reimbursement Claim**

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. The claim must include supporting documentation to substantiate the costs claimed.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal years of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual reimbursement claims must be filed by February 15 following the fiscal year in which costs were incurred for the program. A reimbursement claim must detail the costs actually incurred in the prior fiscal year.

An actual claim for 2006-07 fiscal year, may be filed by February 15, 2008 without a late penalty. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.

**B. Estimated Claim**

An estimated claim is defined in GC Section 17522 as any claim filed with the SCO, during the fiscal year in which the mandated costs are to be incurred by the CCD, against an appropriation made to the SCO for the purpose of paying those costs.

An estimated claim may be filed in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times for estimated costs to be incurred during the current fiscal year. Annual estimated claims are due February 15 of the fiscal year in which the costs are to be incurred. Initial estimated claims are due on the date specified in the claiming instructions. Timely filed estimated claims are paid before those filed after the deadline.

After receiving payment for an estimated claim, the claimant must file a reimbursement claim by February 15 following the fiscal year in which costs were incurred. If the claimant fails to file a reimbursement claim, monies received for the estimated claims must be returned to the State.

**C. Entitlement Claim**

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should be filed by February 15, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

Once a mandate has been included in SMAS and the claimant has established a base year entitlement, the claimant will receive automatic payments from the SCO for the mandate. The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the COSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three

year base period is adjusted according to any changes by both the deflator and average daily attendance. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

A base year entitlement is determined by computing an average of the claimant's costs for any three consecutive years after the program has been approved for the SMAS process. The amount is first adjusted according to any changes in the deflator. The deflator is applied separately to each year's costs for the three years, which comprise the base year. The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

### **3. Minimum Claim Amount**

For initial claims and annual claims filed on or after September 30 2002, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by GC Section 17564.

### **4. Filing Deadline for Claims**

Initial reimbursement claims (first-time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date of issuance of the program's claiming instructions by the SCO. If the initial reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% penalty. A claim filed more than one year after the deadline cannot be accepted for reimbursement.

Annual reimbursement claims for costs incurred during the previous fiscal year and estimated claims for costs to be incurred during the current fiscal year must be filed with the SCO and postmarked on or before February 15. If the annual or estimated reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Claims must include supporting data to show how the amount claimed was derived. Without this information, the claim cannot be accepted.

Entitlement claims do not have a filing deadline. However, entitlement claims and supporting documents should be filed by February 15 to permit an orderly processing of claims. Entitlement claims are used to establish a base year entitlement amount for calculating automatic annual payments. Entitlement does not result in the claimant being reimbursed for costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

### **5. Payment of Claims**

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer.

Reimbursement and estimated claims are paid within 60 days of the filing deadline for the claim, or 15 days after the date the appropriation for the claim is effective, whichever is later. A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs. The 20 percent withheld is not subject to accrued interest.

Pursuant to GC section 17561 (d), the Controller shall pay any eligible claim by August 15 or 45 days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature, which consider appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the COSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. When the supplementary funds are made available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the COSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the COSM. The SCO determines allowable reimbursable costs, subject to amendment by the COSM, for mandates funded by special legislation. Unless specified, allowable costs are those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops general education, and travel costs.

## **6. State Mandates Apportionment System (SMAS)**

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the COSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the Implicit Price Deflator (IPD), which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the COSM's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of apportionment is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and average daily attendance.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a

reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any claim filed by CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the COSM.

## 7. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Each claimed reimbursable cost must be supported by documentation as described in Section 12. Costs that are typically classified as direct costs are:

### (1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

#### (a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800\* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claim must include a computation of how these hours were computed.

\* 1,800 annual productive hours excludes the following employee time:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

#### (b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.



**Table 1: Productive Hourly Rate, Annual Salary + Benefits Method**

<b>Formula:</b> $[(EAS + Benefits) \div APH] = PHR$ $[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	<b>Description:</b> EAS = Employee's Annual Salary APH = Annual Productive Hours PHR = Productive Hourly Rate
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- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

**Table 2: Productive Hourly Rate, Percent of Salary Method**

<b>Example:</b>		
<b>Step 1:</b> <i>Fringe Benefits as a Percent of Salary</i>		<b>Step 2:</b> <i>Productive Hourly Rate</i>
Retirement	15.00 %	<b>Formula:</b> $[(EAS \times (1 + FBR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \$18.94$
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
<b>Total</b>	<b>31.15 %</b>	
<b>Description:</b>		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 3, both methods produce the same productive hourly rate.
- Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, workmen's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:
- The amount of compensation is reasonable for the service rendered.
  - The compensation paid and benefits received are appropriately authorized by the governing board.
  - Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.

- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position, perform an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

**(c) Calculating an Average Productive Hourly Rate**

In those instances where the parameters and guidelines allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

**Table 3: Calculating an Average Productive Hourly Rate**

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 / 5.50 \text{ hrs.} = \$8.34$			

**(d) Employer's Fringe Benefits Contribution**

A CCD has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them.

For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

**(e) Materials and Supplies**

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity, and cost. Purchases in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

**(f) Calculating a Unit Cost for Materials and Supplies**

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

**Table 1: Calculating A Unit Cost for Materials and Supplies**

Supplies	Cost Per Unit	Amount of Supplies Used Per Activity	Unit Cost of Supplies Per Activity
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

**Table 2: Calculating a Unit Cost for Materials and Supplies**

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50/25).

**(g) Contract Services**

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor, explain the

reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim.

**(h) Equipment Rental Costs**

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate is reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

**(i) Capital Outlay**

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the parameters and guidelines for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

**(j) Travel Expenses**

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking with receipts required for charges over \$10.00.

**(k) Documentation**

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

**8. Indirect Costs**

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C) outlined in the following paragraphs. If specifically allowed by a mandated program's P's & G's, a district may alternately choose to claim indirect costs using either (1) a federally approved rate prepared in accordance with Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate.

The SCO developed FAM-29C to be consistent with OMB Circular A-21, cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The FAM-29C methodology uses a direct cost base comprised of salary and benefit costs and operating expenses. Form FAM-29C provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses total expenditures that districts report in their *California Community Colleges Annual Financial and Budget Report* (CCFS-311), Expenditures by Activity for the General Fund – Combined. The computation excludes Capital Outlay and Other Outgo in accordance with OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with OMB Circular A-21.

OMB Circular A-21, Section C.4, states that cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b. states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include Operation and Maintenance of Plant; Planning, Policy Making, and Coordination; General Institutional Support Services (excluding Community Relations); and depreciation or use allowance. Community Relations includes fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as a direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST					FORM	
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FAM 29-C	
(1) Claimant			(02) Period of Claim			
Activity	EDP	Total Costs Per CCFS-311	Less: Capital Outlay and Other Outgo	FAM 29-C Adjusted Total	Indirect	Direct
Instructional Activities	599	\$ 51,792,408	\$ (230,904)	\$ 51,561,504		\$ 51,561,504
Instruct. Admin. & Instruct. Governance	6000	6,882,034	(216,518)	6,665,516		6,665,516
Instructional Support Services	6100	4,155,095	(9,348)	4,145,747		4,145,747
Admissions and Records	6200	2,104,543	(3,824)	2,100,719		2,100,719
Student Counseling and Guidance	6300	4,570,658	(1,605)	4,569,053		4,569,053
Other Student Services	6400	5,426,510	(41,046)	5,385,464		5,385,464
Operation and Maintenance of Plant	6500	8,528,585	(111,743)	8,416,842	8,416,842	
Planning, Policy Making, and Coordination	6600	5,015,333	(23,660)	4,991,673	4,991,673	
General Institutional Support Services	6700			-		
Community Relations	6710	885,089	(6,091)	878,998		878,998
Fiscal Operations	6720	1,891,424	(40,854)	1,850,570	1,850,570	
Human Resources Management	6730	1,378,288	(25,899)	1,352,389	1,352,389	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,011,060		1,011,060	1,011,060	
Staff Development	6750	108,655	(8,782)	99,873	99,873	
Staff Diversity	6760	30,125		30,125	30,125	
Logistical Services	6770	2,790,091	(244,746)	2,545,345	2,545,345	
Management Information Systems	6780	2,595,214	(496,861)	2,098,353	2,098,353	
Other General Institutional Support Services	6790	33,155	(4,435)	28,720	28,720	
Community Services and Economic Development	6800	340,014		340,014		340,014
Ancillary Services	6900	1,148,730	(296)	1,148,434		1,148,434
Auxiliary Operations	7000			-		-
Depreciation or Use Allowance - Building				-	2,620,741	
Depreciation or Use Allowance - Equipment				-	1,706,396	
				-		
<b>Totals</b>		<u>\$100,687,011</u>	<u>\$ (1,466,612)</u>	<u>\$ 99,220,399</u>	<u>\$26,752,087</u>	<u>\$ 76,795,449</u>
					(A)	(B)
<b>Indirect Cost Rate (A)/(B)</b>					<u>34.84%</u>	

## 9. Time Study Guidelines

### Background

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing CCD costs mandated by the state that meets certain conditions specified in GC Section 17518.5(a). For costs incurred prior to January 1, 2005, a time study can only be substituted for continuous records of actual time spent for a specific fiscal year if the program's P's & G's allows for the use of time studies.

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study, which are described below. Application of time study results is restricted. As explained in Time Study Results below, the results may be projected forward a maximum of two years provided the claimant meets certain criteria.

### Actual Time Reporting

The P's & G's define reimbursable activities for each mandated cost program. Some P's & G's refer to reimbursable activities as reimbursable components. When employees work on multiple activities and/or programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards which clarify documentation requirements discussed under the Reimbursable Activities section of recent P's & G's:

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for time distribution.

### Time Study

In certain cases, a time study may be used to substitute for continuous records of actual time spent on multiple activities and/or programs. An effective time study requires that an activity be a task that is repetitive in nature. Activities that require a varying level of effort are not appropriate for time studies.

### Time Study Plan

A time study plan is necessary before conducting the time study. The claimant must retain the time study plan for audit purposes. The plan needs to identify the following:

- Time period(s) to be studied: The plan must show that all time periods selected are representative of the fiscal year, and that the results can be reasonably projected to approximate actual costs.
- Activities and/or programs to be studied: For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's P's & G's, which are derived from the program's Statement of Decision. If a reimbursable activity in the P's & G's identifies separate and distinct sub-activities, they must also be treated as individual activities.

For example, sub-activities (a), (b), and (c) under reimbursable activity (B)(1) of the local agency's Domestic Violence Treatment Services: Authorization and Case Management program relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. These sub-activities do not have to be separately studied.

- Process used to accomplish each reimbursable activity: Use flowcharts or similar analytical tools and/or written desk procedures to describe the process for each activity.
- Employee universe: The employee universe used in the time study must include all positions whose salaries and wages are to be allocated by means of the time study.
- Employee sample selection methodology: The plan must show that employees selected are representative of the employee universe, and the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations.
- Time increments to be recorded: The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) might be used for employees performing only a few functions that change very slowly over time. Very small increments (a number of minutes) may be needed for employees performing more short-term tasks.

Random moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

### Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee (electronic signatures are acceptable) and be supported by corroborating evidence which validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

### Time Study Results

Time study results must be summarized to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained.

Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant may not apply time study results retroactively.

- Annual Reimbursement Claims: Claimants may use time studies to support costs incurred on or after January 1, 2005. Claimants may not use time studies for the period July 1, 2004,



through December 31, 2004, unless (1) the program's P's & G's specifically allow time studies, and (2) the time study is prepared based on mandated activity occurring between July 1, 2004, and December 31, 2004.

- **Initial Claims:** When filing an initial claim for new mandated programs, claimants may only use time study results for costs incurred on or after January 1, 2005. Claimants may not use time studies to support costs incurred before January 1, 2005, unless (1) the program's P's & G's specifically allow time studies, and (2) the claimant prepares separate time studies for each fiscal year preceding January 1, 2005, based on mandated activity occurring during those years.

When projecting time study results, the claimant must certify that there have been no significant changes between years in either: (1) the requirements of each mandated program activity or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain corroborating evidence that validates the mandated activity was actually performed. Time study results used to support subsequent years' claims are subject to the recordkeeping requirements for those claims.

## 10. Offset Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

### Example 1:

As illustrated in Table 5, this example shows how the "Offset Against State Mandated Claims" is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equals \$100,000.

**Table 5: Offset Against State Mandates, Example 1**

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

\* CCD share is \$50,000 of the program cost.

Numbers (1) through (4), in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500, and claimable costs are \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

#### Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to approve costs.

**Table 6: Offset Against State Mandates, Example 2**

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

\*\* CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

#### Federal and State Funding Sources

State school fund apportionments and federal aid for education, which are based on average daily attendance and are part of the general system of financing public schools as well as block grants which do not provide for specific reimbursement of costs (i.e., allocation formulas not tied to expenditures), should not be included as reimbursements from local assistance revenue sources.

#### Governing Authority

The costs of salaries and expenses of the governing authority, such as the school superintendent and governing board, are not reimbursable. These are costs of general government as described in the Office of Management and Budget Circular (OMB) 2 CFR Part 225.

### 11. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. If any adjustments are made to a claim, the claimant will receive a "Notice of Claim Adjustments" detailing adjustments made by the SCO.

### 12. Audit of Costs

All claims submitted to the State Controller's Office (SCO) are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment will be mailed within 30 days after payment of the claim.

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by CCD pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for three years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

### 13. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing a CCD mandated by the state that meets certain conditions specified in 17518.5(a). For costs incurred prior to January 1, 2005, time study can substitute for continuous records of actual time spent for a specific fiscal year only if the program's P's & G's allow for the use of time studies.

## 14. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file an estimated or reimbursement claim. The SCO will revise the manual and claim forms as necessary.

### A. Form-2, Component/Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant and copies of supporting documentation, as specified in the claiming instructions, must be submitted with the claims. All supporting documents must be retained for a period of not less than three years after the reimbursement claim was filed or last amended.

### B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

A CCD has the option of using a federally approved rate (i.e., utilizing the cost accounting principles from the Office of Management and Budget (OMB) 2, CFR Part 225) or from form FAM-29C.

### C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment, and all other forms and supporting documents (**To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**) Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
Other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

## 15. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the School Mandated Cost Manual and the old forms they replace should be removed. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the

year will be placed on the SCO's web site at [www.sco.ca.gov/ard/local/locreim/index.shtml](http://www.sco.ca.gov/ard/local/locreim/index.shtml).

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or send e-mail to [lrsdar@sco.ca.gov](mailto:lrsdar@sco.ca.gov), or call the Local Reimbursements Section at (916) 324-5729.

#### **16. Retention of Claim Records and Supporting Documentation**

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and that the claim was prepared in accordance with the SCO's claiming instructions and the COSM's P's and G's. If any adjustments are made to a claim, a "Notice of Claim Adjustments" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a school district is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the SCO to initiate an audit shall commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and shall be made available to the SCO on request.



## FILING A CLAIM

### 1. Introduction

The law in the State of California, (GC Sections 17500 through 17617), provides for the reimbursement of costs incurred by community college districts (CCD) for costs mandated by the State. Costs mandated by the State means any increased costs which a CCD is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. An actual claim for the 2007-08 fiscal year, may be filed by February 15, 2009, without a late penalty. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. Since the 15th falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on before February 17th, 2009. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. Amended claims filed after the filing deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of 10% with no limitation. Claims filed more than one year after the deadline will not be accepted by the SCO.

In order for a claim to be considered properly filed, it must include documentation to support the indirect cost rate if the indirect cost rate exceeds 7 percent. A more detailed discussion of the indirect cost methods available to community colleges may be found in Section 9 of these instructions. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

When a program has been reimbursed for three or more years, the Commission on State Mandates (CSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement do not need to file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

These claiming instructions are issued to help claimants prepare paper, and/or electronic mandated cost claims, for submission to the SCO. These instructions are based upon the State of California statutes, regulations, and parameters and guidelines (P's & G's) adopted by the CSM. Since each mandate is administered separately, it is important to refer to the P's and G's for each program for information relating to established policies and eligible reimbursable costs.

### 2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and provides a web service so claims can be uploaded in batch files. LGeC also incorporates an attachment feature so claimants can electronically attach supporting documentation if required. The only documentation required to be submitted with the claim is the

support for the indirect cost rate if the indirect cost rate exceeds 10%. A more detailed discussion of the indirect cost methodologies available to community colleges may be found in Section 9 of this manual. All other documentation to support actual costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of this manual.

The LGeC system provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCDs and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed using the LGeC system.

In order to use the LGeC system you will need to obtain a user ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC website located at <https://www.sco/ard/local/lgec/index.shtml>. Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claim receipts, payments, test claims, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information disseminated by other state agencies.

You can find more information about LGeC and the email distribution lists at <https://www.sco/ard/local/lgec/index.shtml>. This website provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, FAQ's and additional help files. Questions about the information on this website may be directed to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov), or to Angie Lowi Teng at the Division of Accounting and Reporting, Local Reimbursements Section, Local Government e-Claims, (916) 323-0706.

### 3. Types of Claims

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

#### A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual ongoing reimbursement claims must be filed by February 15<sup>th</sup> following the fiscal year in



which costs were incurred for the program. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. Since February 15<sup>th</sup> falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on before February 17<sup>th</sup>, 2009.

In order for a claim to be considered properly filed, it must include documentation to support the indirect cost rate if the indirect cost rate exceeds seven percent. A more detailed discussion of the indirect cost methods available to community colleges may be found in Section 9 of this manual.

Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of this manual.

#### **B. Estimated Claims**

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims filed on or after February 17, 2008, will not be accepted for reimbursement.

#### **C. Entitlement Claim**

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated cost program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims should be filed by February 15<sup>th</sup>, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the IPD of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the CSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the SMAS system are paid on or before November 30<sup>th</sup> of each year.

#### **4. Minimum Claim Amount**

For initial claims and annual claims filed on or after September 30, 2002, if the total costs for a given year do not exceed \$1,000 no reimbursement shall be allowed except as otherwise allowed by GC Section 17564.

#### **5. Filing Deadline for Claims**

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date the SCO issues the claiming instructions for the program.

When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs.

Initial reimbursement claims filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty.

In no case may a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. Since February 15th falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on or before February 17th, 2009.

If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims filed more than one year after the deadline cannot be accepted for reimbursement.

Entitlement claims do not have a filing deadline. However, entitlement claims should be filed by February 15th to permit orderly processing of the claims.

## 6. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon id and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by August 15, or 45 days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature, who consider appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the CSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. Any balances remaining on these claims will be paid when supplementary funds are made available.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the CSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the CSM. The SCO determines allowable reimbursable costs, subject to amendment by the CSM, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

#### **7. State Mandates Apportionment System (SMAS)**

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the CSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the CSM's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The apportionment amount is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and ADA.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any claim filed by a CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30<sup>th</sup>. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the CSM.

**8. Direct Costs**

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions. Costs typically classified as direct costs are:

**(1) Employee Wages, Salaries, and Fringe Benefits**

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may use a productive hourly rate in-lieu of reporting actual compensation and fringe benefits:

**(a) Productive Hourly Rate Options**

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800\* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

\* 1,800 annual productive hours excludes the following employee time:

- o Paid holidays;
- o Vacation earned;
- o Sick leave taken;
- o Informal time off;
- o Jury duty;
- o Military leave taken.

**(b) Compute a Productive Hourly Rate**

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

**Table 1: Productive Hourly Rate, Annual Salary + Benefits Method**

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

**Table 2: Productive Hourly Rate, Percent of Salary Method**

<b>Example:</b>			
<b>Step 1: Fringe Benefits as a Percent of Salary</b>		<b>Step 2: Productive Hourly Rate</b>	
Retirement	15.00 %	<b>Formula:</b>	
Social Security & Medicare	7.65	[(EAS x (1 + FBR))	APH] =
Health & Dental Insurance	5.25	PHR	
Workers Compensation	3.25	[((\$26,000 x (1.3115))	1,800 ]
		= \$18.94	
<b>Total</b>	<b>31.15 %</b>		
<b>Description:</b>			
EAS = Employee's Annual Salary		APH = Annual Productive Hours	
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate	

- As illustrated in Table 3, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered.
- The compensation paid and benefits received are appropriately authorized by the governing board.
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level position, performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours

are not reimbursable. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

**(c) Calculating an Average Productive Hourly Rate**

In those instances where the P's & G's allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

**Table 3: Calculating an Average Productive Hourly Rate**

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88/5.50 \text{ hrs.} = \$8.34$			

**(d) Employer's Fringe Benefits Contribution**

A CCD has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions. For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

**(e) Materials and Supplies**

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD. Documentation to support these costs must be kept on hand by

the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

**(f) Calculating a Unit Cost for Materials and Supplies**

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

**Table 1: Calculating A Unit Cost for Materials and Supplies**

Supplies	Cost Per Unit	Amount of Supplies Used Per Activity	Unit Cost of Supplies Per Activity
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

**Table 2: Calculating a Unit Cost for Materials and Supplies**

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50/25).

**(g) Contract Services**

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice, or statement, which includes an itemized list of costs for activities performed. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

**(h) Equipment Rental Costs**

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

**(i) Capital Outlay**

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the P's & G's for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

**(j) Travel Expenses**

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the name and address of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00. Documentation to support these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

**(k) Documentation**

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate. The documentation supporting these costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of these instructions.

**9. Indirect Costs**

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using



either (1) a federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits Only*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

If indirect costs are calculated using the OMB Circular A-21 methodology with a base other than *Salaries and Benefits Only*, the claim cannot be filed using the Local Government e-Claims system as LGeC does not support cost bases other than *Salaries and Benefits Only*. Instead, these claims must be filed manually using paper forms.

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits Only* in the base, then the claims can be filed using either the LGeC system or the manual paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits Only* (usually Form 1, line (5)(a)) to arrive at the total indirect costs (usually Form 1, line (7)). If the rate is applied to anything other than *Salaries and Benefits Only*, then the claim must be filed manually using paper forms.

The SCO developed form FAM-29C to be consistent with the OMB Circular A-21 cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The methodology used in form FAM-29C is a direct cost base comprised of salary and benefit costs. This provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses expenditures that districts report in their California Community Colleges Annual Financial and Budget Report (CCFS-311), Expenditures by Activity for the General Fund – Combined. The computation excludes capital outlay and other outgo in accordance with the OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with the OMB Circular A-21.

The OMB Circular A-21, Section C.4, states that a cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b., states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

The OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD's. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in the OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include operation and maintenance of plant; planning, policy making, and coordination; general institutional support services (excluding community relations); and depreciation or use allowance. Community relations include fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST					FORM
INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FAM 29-C
(1) Claimant					
Activity	EDP	Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Indirect-Salaries, Benefits, and Operating Expenses	Direct-Salaries and Benefits only
Instructional Activities	599	\$46,249,931	\$ 8,289,190		\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320	674,527	
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179.00		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
<b>Totals</b>		<u>\$86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$28,596,656</u>	<u>\$68,181,443</u>
				(A)	(B)
				<u>41.94%</u>	
Indirect Cost Rate (A)/(B)					

## 10. Time Study Guidelines

### Background

A reasonable reimbursement methodology, which meets certain conditions specified in Government Code section 17518.5, subdivision (a), can be used as a "formula for reimbursing local agency and school district costs mandated by the state."

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

### Actual Time Reporting

Each program's parameters and guidelines define reimbursable activities for the mandated cost program. (Some parameters and guidelines refer to reimbursable activities as reimbursable components.) When employees work on multiple activities and/or programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards (which clarify documentation requirements discussed in the Reimbursable Activities section of recent parameters and guidelines):

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for actual time reporting.

### Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

### Time Study Plan

The claimant must develop a time study plan before a time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time period(s) to be studied - the plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs.
- Activities and/or programs to be studied - for each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's parameters and guidelines, which are derived from the program's statement of decision. If a reimbursable activity in the parameters and guidelines identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities.

For example, sub-activities (a), (b), and (c) under reimbursable activity (B)(1) of the local

agency's Domestic Violence Treatment Services: Authorization and Case Management Program, relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity.
- Employee universe - the employee universe used in the time study must include all positions whose salaries and wages are to be allocated by means of the time study.
- Employee sample selection methodology - the plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations.
- Time increments to be recorded - the time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

Random-moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random-moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

### **Time Study Documentation**

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee and be supported by documentation that validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

### **Time Study Results**

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must

maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

### 11. Offset Against State Mandated Claims

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

#### Example 1:

As illustrated in Table 5, this example shows how the "Offset Against State Mandated Claims" is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equals \$100,000.

**Table 5: Offset Against State Mandates, Example 1**

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

\* CCD share is \$50,000 of the program cost.

Numbers (1) through (4), in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

**Example 2:**

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to approve costs.

**Table 6: Offset Against State Mandates, Example 2**

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

\*\* CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

**Federal and State Funding Sources**

State school fund apportionments and federal aid for education, which are based on ADA and are part of the general system of financing public schools as well as block grants which do not provide for specific reimbursement of costs (i.e., allocation formulas not tied to expenditures), should not be included as reimbursements from local assistance revenue sources.

**Governing Authority**

The costs of salaries and expenses of the governing authority, such as the school superintendent and governing board, are not reimbursable. These are costs of general government as described in the Office of Management and Budget Circular (OMB) 2 CFR Part 225.

**12. Notice of Claim Adjustment**

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a "Notice of Claim Adjustments" detailing any adjustments made by the SCO.

**13. Audit of Costs**

Pursuant to GC section 17558.5, subdivision (b), The SCO may conduct a field review of any claim after the claim has been submitted, prior to the reimbursement of the claim, to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college district for this mandate is subject to the initiation of an audit by SCO no later than three years after the date that the actual reimbursement claim is filed or last amended,

whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for SCO to initiate an audit shall commence to run from the date of initial payment of the claim.

In any case, an audit shall be completed no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by SCO as deemed necessary.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be maintained by the claimant and made available to the SCO upon request as discussed in Section 17 of this manual.

#### **14. Source Documents**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee records, or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

All documents used to support the reimbursable activities must be retained during the period subject to audit and must be made available to the SCO upon request as discussed in Section 17 of this manual.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used for reimbursing a CCD that meets certain conditions specified in 17518.5(a).

#### **15. Claim Forms and Instructions**

A claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

##### **A. Form-2, Activity Cost Detail**

This form is used to segregate the detail costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant and must be made available to the SCO upon request.

**B. Form-1, Claim Summary**

This form is used to summarize direct costs by activity and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

**C. Form FAM-27, Claim for Payment**

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment. **(To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)** Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
Other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

**16. Retention of Claiming Instructions**

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Community College Mandated Cost Manual should be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at [www.sco.ca.gov/ard/local/locreim/index.shtml](http://www.sco.ca.gov/ard/local/locreim/index.shtml).

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to [lrsdar@sco.ca.gov](mailto:lrsdar@sco.ca.gov), or call the Local Reimbursements Section at (916) 324-5729.

**17. Retention of Claim Records and Supporting Documentation**

Pursuant to Government Code section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents shall be made available to the SCO upon request.





## FILING A CLAIM

### 1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2008-09 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 16, 2010**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, *Indirect Costs*. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, *Retention of Claim Records and Supporting Documentation*.

When a program has been reimbursed for three or more years, the Commission may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement no longer need to file claims for that program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

The claiming instructions included in this manual are issued to help claimants prepare manual and/or electronic mandated cost claims, for submission to the SCO. These instructions are based on the State of California's statutes, regulations, and the parameters and guidelines (P's & G's) adopted by the Commission on State Mandates (Commission). Since each mandate is unique, it is important to refer to the P's and G's for each program for information relating to established policies and eligible reimbursable costs.

### 2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and provides a Web service so claims can be uploaded in batch files. The system also incorporates an attachment feature so claimants can electronically attach supporting documentation if required.

In addition, it provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCD's and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and

incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed.

In order to use the LGeC system you will need to obtain a user ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at [http://www.sco.ca.gov/ard\\_lgec.html](http://www.sco.ca.gov/ard_lgec.html). Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claims, payments, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information disseminated by other state agencies.

You can find more information about LGeC and the email distribution lists at [http://www.sco.ca.gov/ard\\_lgec.html](http://www.sco.ca.gov/ard_lgec.html). This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov), or you may call the Local Reimbursements Section at (916) 324-5729.

### **3. Types of Claims**

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

#### **A. Reimbursement Claim**

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement. Annual ongoing reimbursement claims must be filed by February 15<sup>th</sup> following the fiscal year in which costs were incurred for the program.

#### **B. Estimated Claims**

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims will not be accepted for reimbursement.

#### **C. Entitlement Claim**

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated cost program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, these claims should be filed by February 15<sup>th</sup>, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an

apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator (IPD) of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the Commission for inclusion in SMAS, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the SMAS system are paid on or before November 30th of each year.

#### **4. Minimum Claim Amount**

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

#### **5. Filing Deadline for Claims**

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program.

When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs.

Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred.

If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims may not be filed more than one year after the deadline.

#### **6. Payment of Claims**

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon ID and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by October 15 or sixty days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to

the amount of approved claims timely filed and on hand at the time of proration. A reasonable reimbursement methodology (RRM), which meets certain conditions specified in Government Code Section 17518.5, Subdivision (a), can be used as a formula for reimbursing CCD costs mandated by the State.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each House of the Legislature, in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the Commission who will include these amounts in its reports to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. Any balances remaining on these claims will be paid when supplementary funds become available.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the Commission. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the Commission. The SCO determines allowable reimbursable costs, subject to amendment by the Commission, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

#### **7. State Mandates Apportionment System (SMAS)**

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the Commission.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for any three consecutive fiscal years. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the Commission's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The apportionment amount is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and ADA.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a

reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An entitlement claim means any claim filed by a CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement may not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30<sup>th</sup>. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the Commission.

## 8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request.

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

Costs typically classified as direct costs are:

### (1) Employee Wages, Salaries, and Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classifications, hours worked on the mandate, and rate of pay. The claimant may use a productive hourly rate in-lieu of reporting actual compensation and benefits:

#### (a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee;
- The weighted-average annual productive hours for each job title; or
- 1,800\* annual productive hours for all employees.

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

\* 1,800 annual productive hours excludes the following employee time:

- Paid holidays;
- Vacation earned;
- Sick leave taken;
- Informal time off;
- Jury duty;
- Military leave taken.

#### (b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and benefits and divide by the annual

productive hours.

**Table 1: Productive Hourly Rate, Annual Salary + Benefits Method**

<b>Formula:</b> $[(EAS + Benefits) \div APH] = PHR$ $[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	<b>Description:</b> EAS = Employee's Annual Salary APH = Annual Productive Hours PHR = Productive Hourly Rate
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- As illustrated in Table 1, if an employee's compensation was \$26,000 and \$8,099 for annual salary and benefits, respectively, using the Salary + Benefits Method, the productive hourly rate would be \$18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the Percent of Salary Method.

**Table 2: Productive Hourly Rate, Percent of Salary Method**

<b>Example:</b>		
<b>Step 1: Benefits as a Percent of Salary</b>		<b>Step 2: Productive Hourly Rate</b>
Retirement	15.00 %	<b>Formula:</b> $[(EAS \times (1 + BR)) \div APH] = PHR$
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	$[(\$26,000 \times (1.3115)) \div 1,800] = \$18.94$
<b>Total</b>	<b>31.15 %</b>	
<b>Description:</b>		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
BR = Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages, and employee benefits. Employee benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered;
- The compensation paid and benefits received are appropriately authorized by the governing board;
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;

- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

**(c) Calculating an Average Productive Hourly Rate**

In those instances where the P's & G's allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

**Table 3: Calculating an Average Productive Hourly Rate**

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 \div 5.50 \text{ hrs.} = \$8.34$			

**(d) Employer's Benefits Contribution**

A CCD has the option of claiming actual employer's benefit contributions or may compute an average benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each benefit is computed, total them. For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

**(2) Materials and Supplies**

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies



withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases must be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

(a) **Calculating a Unit Cost for Materials and Supplies**

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

**Table 1: Calculating a Unit Cost for Materials and Supplies**

<b>Supplies</b>	<b>Cost Per Unit</b>	<b>Amount of Supplies Used Per Activity</b>	<b>Unit Cost of Supplies Per Activity</b>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

**Table 2: Calculating a Unit Cost for Materials and Supplies**

<b>Supplies</b>	<b>Supplies Used</b>	<b>Unit Cost of Supplies Per Activity</b>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance ( $\$9.50 \div 25$ ).

(3) **Contract Services**

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed.

(4) **Equipment Rental Costs**

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent that such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use of the equipment, the time period for

which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

#### (5) Capital Outlay

Capital outlay for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the P's & G's for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

#### (6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

### 9. Indirect Costs

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

If indirect costs are calculated using the OMB Circular A-21 methodology with a base other than *Salaries and Benefits*, the claim cannot be filed using the LGeC as the system does not support cost bases other than *Salaries and Benefits*. Instead, these claims must be filed manually using paper forms.

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits* in the base, then the claims can be filed using either the LGeC system or the manual paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits* (usually Form 1, line (5)(a)) to arrive at the total indirect costs (usually Form 1, line (7)).

The SCO developed form FAM-29C to be consistent with the OMB Circular A-21 cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The methodology used in form FAM-29C is a direct cost base comprised of salary and benefit costs. This provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses expenditures that districts report in their California Community Colleges Annual Financial and Budget Report (CCFS-311), Expenditures by Activity for the General Fund – Combined. CCD's must use the CCFS-311 report applicable to the fiscal year of the reimbursement claim submitted. The computation excludes capital outlay and other outgo in accordance with the OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with the OMB Circular A-21.

The OMB Circular A-21, Section C.4, states that a cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b., states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

The OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD's. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in the OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include operation and maintenance of plant; planning, policy making, and coordination; general institutional support services (excluding community relations); and depreciation or use allowance. Community relations include fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

MANDATED COST INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS					FORM FAM 29-C
(1) Claimant					
Activity	EDP	Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Indirect-Salaries Benefits, and Operating Expenses	Direct-Salaries and Benefits only
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320	674,527	
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
<b>Totals</b>		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 28,596,656</u>	<u>\$ 68,181,443</u>
				(A)	(B)
<b>Indirect Cost Rate (A)/(B)</b>				<u>41.94%</u>	

## 10. Time Study Guidelines

### Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

### Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for actual time reporting.

### Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

### Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;
- Time increments to be recorded - The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large

increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

Random-moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random-moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

### **Time Study Documentation**

Time studies must:

- Be supported by time records that are completed when the activity occurs;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee and be supported by documentation that validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

### **Time Study Results**

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

## **11. Offset Against State Mandated Claims**

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased cost payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

### **Example 1:**

As illustrated in Table 5, this example shows how the Offset Against State Mandated Claims is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equals \$100,000.

Table 5: Offset Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

\* CCD share is \$50,000 of the program cost.

Numbers (1) through (4) in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

**Example 2:**

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to the approved costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

\*\* CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

## 12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

## 13. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

## 14. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee records, or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification stating: "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct" and must further comply with the requirements of Code of Civil Procedure Section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

## 15. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

### A. Form-2, Activity Cost Detail

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request.



**B. Form-1, Claim Summary**

This form is used to summarize direct costs by activity and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

**C. Form FAM-27, Claim for Payment**

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment. **To expedite the payment process, please sign the FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
-Sacramento, CA 94250

If delivered by  
Other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 700  
Sacramento, CA 95816

**16. Retention of Claiming Instructions**

The revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at [www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html).

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov), or call the Local Reimbursements Section at (916) 324-5729.

**17. Retention of Claim Records and Supporting Documentation**

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.



## FILING A CLAIM

### 1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2009-10 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 15, 2011**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, **Indirect Costs**. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, **Retention of Claim Records and Supporting Documentation**.

When a program has been reimbursed for three or more years, the Commission may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD. Claimants with an established entitlement no longer need to file claims for that program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

### 2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and provides a Web service so claims can be uploaded in batch files. The system also incorporates an attachment feature so claimants can electronically attach supporting documentation if required.

The LGeC system provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCD's and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed.

In order to use the LGeC system you will need to obtain a User ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at [http://www.sco.ca.gov/ard\\_lgec.html](http://www.sco.ca.gov/ard_lgec.html). Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claims, payments, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information provided by other state agencies.

You can find more information about LGeC and the email distribution lists at [http://www.sco.ca.gov/ard\\_lgec.html](http://www.sco.ca.gov/ard_lgec.html). This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov), or you may call the Local Reimbursements Section at (916) 324-5729.

### 3. Types of Claims

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

#### A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement. Annual ongoing reimbursement claims must be filed by February 15<sup>th</sup> following the fiscal year in which costs were incurred for the program.

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program. Claims for fiscal year 2009-10 will be accepted without late penalty if postmarked or delivered on before February 15<sup>th</sup>, 2011. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

#### B. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated cost program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, these claims should be filed by February 15th, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are

approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator (IPD) of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the Commission for inclusion in SMAS, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the SMAS system are paid on or before November 30th of each year.

#### **4. Minimum Claim Amount**

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

#### **5. Filing Deadline for Claims**

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program. When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed.

The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims may not be filed more than one year after the deadline.

#### **6. Payment of Claims**

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon ID and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by October 15 or sixty days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each House of the Legislature, in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the Commission who will include these amounts in its reports to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. Any balances remaining on these claims will be paid when supplementary funds become available.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the Commission. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the Commission. The SCO determines allowable reimbursable costs, subject to amendment by the Commission, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

## **7. State Mandates Apportionment System (SMAS)**

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the Commission.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for any three consecutive fiscal years. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the Commission's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The apportionment amount is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and ADA.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An entitlement claim means any claim filed by a CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement may not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30<sup>th</sup>. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the Commission.

## 8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

Costs typically classified as direct costs are:

### (1) Employee Wages, Salaries, and Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classifications, hours worked on the mandate, and rate of pay. The claimant may use a productive hourly rate in-lieu of reporting actual compensation and benefits:

#### (a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee;
- The weighted-average annual productive hours for each job title; or
- 1,800\* annual productive hours for all employees.

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

\* 1,800 annual productive hours excludes the following employee time:

- Paid holidays;
- Vacation earned;
- Sick leave taken;
- Informal time off;
- Jury duty;
- Military leave taken.

#### (b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and benefits and divide by the annual productive hours.

**Table 1: Productive Hourly Rate, Annual Salary + Benefits Method**

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if an employee's compensation was \$26,000 and \$8,099 for annual salary and benefits, respectively, using the Salary + Benefits Method, the productive hourly rate would be \$18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the Percent of Salary Method.

**Table 2: Productive Hourly Rate, Percent of Salary Method**

Example:		
Step 1: Benefits as a Percent of Salary		Step 2: Productive Hourly Rate
Retirement	15.00 %	<b>Formula:</b> $[(EAS \times (1 + BR)) \div APH] = PHR$
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	$[(\$26,000 \times (1.3115)) \div 1,800] = \$18.94$
<b>Total</b>	<b>31.15 %</b>	
<b>Description:</b>		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
BR = Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages, and employee benefits. Employee benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered;
- The compensation paid and benefits received are appropriately authorized by the governing board;



- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

### (c) Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

**Table 3: Calculating an Average Productive Hourly Rate**

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 \div 5.50 \text{ hrs.} = \$8.34$			

### (d) Employer's Benefits Contribution

A CCD has the option of claiming actual employer's benefit contributions or may compute an average benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each benefit is computed, total them. For example:

Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

### (2) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the

materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases must be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

**(a) Calculating a Unit Cost for Materials and Supplies**

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

**Table 1: Calculating a Unit Cost for Materials and Supplies**

Supplies	<u>Cost Per Unit</u>	<u>Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

**Table 2: Calculating a Unit Cost for Materials and Supplies**

Supplies	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	2.00
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance ( $\$9.50 \div 25$ ).

**(3) Contract Services**

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must

not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed.

#### (4) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent that such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use of the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

#### (5) Capital Outlay

Capital outlay for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the P's & G's for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

#### (6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

### 9. Indirect Costs

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases which produce an equitable result related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

If indirect costs are calculated using the OMB Circular A-21 methodology with a base other than *Salaries and Benefits*, the claim cannot be filed using the LGeC as the system does not support cost bases other than *Salaries and Benefits*. Instead, these claims must be filed manually using paper forms.

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits* in the base, then the claims can be filed using either the LGeC system or the manual paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen

methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits* (usually Form 1, line (5)(a) to arrive at the total indirect costs (usually Form 1, line (7)).

The SCO developed form FAM-29C to be consistent with the OMB Circular A-21 cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The methodology used in form FAM-29C is a direct cost base comprised of salary and benefit costs. This provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses expenditures that districts report in their California Community Colleges Annual Financial and Budget Report (CCFS-311), Expenditures by Activity for the General Fund – Combined. CCD's must use the CCFS-311 report applicable to the fiscal year of the reimbursement claim submitted. The computation excludes capital outlay and other outgo in accordance with the OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with the OMB Circular A-21.

The OMB Circular A-21, Section C.4, states that a cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b., states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

The OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD's. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in the OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include operation and maintenance of plant; planning, policy making, and coordination; general institutional support services (excluding community relations); and depreciation or use allowance. Community relations include fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

(1) Claimant	MANDATED COST				FORM
	INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS				FAM 29-C
Activity	EDP	Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Indirect-Salaries Benefits, and Operating Expenses	Direct-Salaries and Benefits only
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320		446,207
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
<b>Totals</b>		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 27,922,129</u>	<u>\$ 68,627,650</u>
				(A)	(B)
<b>Indirect Cost Rate (A)/(B)</b>				<u>40.69%</u>	

## 10. Time Study Guidelines

### Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

### Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for actual time reporting.

### Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

### Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;
- Time increments to be recorded - The time increments used should be sufficient to recognize the

number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

Random-moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random-moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

### **Time Study Documentation**

Time studies must:

- Be supported by time records that are completed when the activity occurs;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities performed during a specific time period;
- Coincide with one or more pay periods.

Time records must be signed by the employee and be supported by documentation that validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

### **Time Study Results**

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

## **11. Offsets Against State Mandated Claims**

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased cost payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

### **A. Example 1:**

As illustrated in Table 5, this example shows how the Offset Against State Mandated Claims is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equals \$100,000.

Table 5: Offsets Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	100,000 *	49,000	2,500	250	2,250

\* CCD share is \$50,000 of the program cost.

Numbers (1) through (4) in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.

In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.

In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.

In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

#### B. Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to the approved costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

\*\* CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers



75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

## 12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

## 13. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

## 14. Source Documents

Costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee records, or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification stating: "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct" and must further comply with the requirements of Code of Civil Procedure Section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

## 15. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

### A. Form-2, Activity Cost Detail

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request.

**B. Form-1, Claim Summary**

This form is used to summarize direct costs by activity and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

**C. Form FAM-27, Claim for Payment**

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Submit a signed original and one copy of form FAM-27, Claim for Payment. **To expedite the payment process, please sign the FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
Other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 700  
Sacramento, CA 95816

**16. Retention of Claiming Instructions**

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at [www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html).

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov), or call the Local Reimbursements Section at (916) 324-5729.

**17. Retention of Claim Records and Supporting Documentation**

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.



## FILING A CLAIM

### 1. Introduction

Government Code (GC) Sections 17500 through 17617 provide for the reimbursement of costs incurred by community college districts (CCD) for mandated cost programs as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with the State Controller's Office (SCO) by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. Actual claims for the 2010-11 fiscal year will be accepted without penalty if postmarked or delivered on or before **February 15, 2012**. Ongoing reimbursement claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed \$10,000**. Amended claims filed after the filing deadline will be reduced by **10% of the increased amount** not to exceed \$10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation**. Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 7%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to CCD's can be found in Section 2, Filing a Claim, page 9, **Indirect Costs**. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 16, **Retention of Claim Records and Supporting Documentation**.

When a program has been reimbursed for three or more years, the Commission on State Mandates (CSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD. Claimants with an established entitlement no longer need to file claims for that program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

### 2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and provides a Web service so claims can be uploaded in batch files. The system also incorporates an attachment feature so claimants can electronically attach supporting documentation if required.

The LGeC system provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by CCD's and the receiving, processing, key entry, verification, and storage of the paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred for postage, handling, and storage of claims filed.

In order to use the LGeC system you will need to obtain a User ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at [http://www.sco.ca.gov/ard\\_lgec.html](http://www.sco.ca.gov/ard_lgec.html). Complete the application and other documents as requested and mail them to the SCO using the address provided in the instructions. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claims, payments, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information provided by other state agencies.

You can find more information about LGeC and the email distribution lists at [http://www.sco.ca.gov/ard\\_lgec.html](http://www.sco.ca.gov/ard_lgec.html). This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov), or you may call the Local Reimbursements Section at (916) 324-5729.

### 3. Types of Claims

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant, who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

#### A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a CCD for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual ongoing reimbursement claims must be filed by February 15<sup>th</sup> following the fiscal year in which costs were incurred for the program. Claims for fiscal year 2010-11 will be accepted without late penalty if postmarked or delivered on before February 15, 2012. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

#### B. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a CCD with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated cost program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, these claims should be filed by February 15<sup>th</sup>, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an

apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator (IPD) of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the CSM for inclusion in SMAS, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the SMAS system are paid on or before November 30th of each year.

#### **4. Minimum Claim Amount**

For initial claims and annual claims, if the total costs for a given year do not exceed \$1,000 no reimbursement will be allowed except as otherwise allowed by GC Section 17564.

#### **5. Filing Deadline for Claims**

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program. When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed.

The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims may not be filed more than one year after the deadline.

#### **6. Payment of Claims**

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon ID and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by October 15 or sixty days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the

payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each House of the Legislature, in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the CSM who will include these amounts in its reports to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. Any balances remaining on these claims will be paid when supplementary funds become available.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the CSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the CSM. The SCO determines allowable reimbursable costs, subject to amendment by the CSM, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

#### **7. State Mandates Apportionment System (SMAS)**

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the CSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each CCD that has submitted reimbursement claims (or entitlement claims) for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (or entitlement claims) for any three consecutive fiscal years. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the CSM's approval.

Each CCD with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The apportionment amount is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and ADA.

In the event a CCD has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the CCD may file an entitlement claim for each of those missed years to establish a base year entitlement. An entitlement claim means any claim filed by a CCD with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement may not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30<sup>th</sup>. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the CCD determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the CSM.

## 8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

Costs typically classified as direct costs are:

### (1) Employee Wages, Salaries, and Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classifications, hours worked on the mandate, and rate of pay. The claimant may use a productive hourly rate in-lieu of reporting actual compensation and benefits:

#### (a) Productive Hourly Rate Options

A CCD may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee;
- The weighted-average annual productive hours for each job title; or
- 1,800\* annual productive hours for all employees.

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

\* 1,800 annual productive hours excludes the following employee time:

- o Paid holidays;
- o Vacation earned;
- o Sick leave taken;
- o Informal time off;
- o Jury duty;
- o Military leave taken.

#### (b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and benefits and divide by the annual productive hours.



**Table 1: Productive Hourly Rate, Annual Salary + Benefits Method**

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if an employee's compensation was \$26,000 and \$8,099 for annual salary and benefits, respectively, using the Salary + Benefits Method, the productive hourly rate would be \$18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the Percent of Salary Method.

**Table 2: Productive Hourly Rate, Percent of Salary Method**

Example:		
<b>Step 1: Benefits as a Percent of Salary</b>		<b>Step 2: Productive Hourly Rate</b>
Retirement	15.00 %	<b>Formula:</b> $[(EAS \times (1 + BR)) \div APH] = PHR$  $[(\$26,000 \times (1.3115)) \div 1,800] = \$18.94$
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
<b>Total</b>	<b>31.15 %</b>	
<b>Description:</b>		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
BR = Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.
- Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages, and employee benefits. Employee benefits include employer's contributions for social security, pension plans, insurance, workers compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:
- The amount of compensation is reasonable for the service rendered;
  - The compensation paid and benefits received are appropriately authorized by the governing board;

- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees;
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at a higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

**(c) Calculating an Average Productive Hourly Rate**

In those instances where the claiming instructions allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

**Table 3: Calculating an Average Productive Hourly Rate**

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 \div 5.50 \text{ hrs.} = \$8.34$			

**(d) Employer's Benefits Contribution**

A CCD has the option of claiming actual employer's benefit contributions or may compute an average benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each benefit is computed, total them. For example:

Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

**(2) Materials and Supplies**

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases must be claimed at the actual price after deducting discounts, rebates and allowances received by the CCD.

**(a) Calculating a Unit Cost for Materials and Supplies**

In those instances where the P's & G's suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

**Table 1: Calculating a Unit Cost for Materials and Supplies**

<b>Supplies</b>	<b>Cost Per Unit</b>	<b>Amount of Supplies Used Per Activity</b>	<b>Unit Cost of Supplies Per Activity</b>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

**Table 2: Calculating a Unit Cost for Materials and Supplies**

<b>Supplies</b>	<b>Supplies Used</b>	<b>Unit Cost of Supplies Per Activity</b>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	2.00
		<u>\$9.50</u>

If the number of reimbursable instances is 25, then the unit cost of supplies is \$0.38 per reimbursable instance ( $\$9.50 \div 25$ ).

**(3) Contract Services**

The cost of contract services is allowable if the CCD lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must

not exceed the rate specified in the P's & G's for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed.

**(4) Equipment Rental Costs**

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the P's & G's for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent that such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must maintain documentation to support the purpose and use of the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the pro rata portion of the rental costs can be claimed.

**(5) Capital Outlay**

Capital outlay for land, buildings, equipment, furniture and fixtures may be claimed if the P's & G's specify them as allowable. If they are allowable, the P's & G's for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the pro rata portion of the purchase price used to implement the reimbursable activities can be claimed.

**(6) Travel Expenses**

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the P's & G's may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the Department of Personnel Administration (DPA) travel standards. When claiming travel expenses, the claimant must maintain documentation to support the purpose of the trip, the names and addresses of the persons incurring the expense, the date and time of departure and return, a description of each expense claimed, and the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking. Receipts are required for charges over \$10.00.

**9. Indirect Costs**

Indirect costs are: (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities. To be allowable, a cost must be allocable to a particular cost objective. Indirect costs must be distributed to benefiting cost objectives on bases, which produce an equitable result, related to the benefits derived by the mandate.

A CCD may claim indirect costs using the Controller's methodology (FAM-29C), or if specifically allowed by a mandated cost program's P's & G's, a district may choose to claim indirect costs using either: (1) A federally approved rate prepared in accordance with the Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*; or (2) a flat 7% rate. The FAM-29C indirect cost rate and the flat 7% indirect cost rate are applied to *Salaries and Benefits*, whereas the federally approved rate is applied to the allocation base used in developing the federally approved rate.

If indirect costs are calculated using the OMB Circular A-21 methodology with a base other than *Salaries and Benefits*, the claim cannot be filed using the LGeC as the system does not support cost bases other than *Salaries and Benefits*. Instead, these claims must be filed manually using paper forms.

However, if indirect costs are calculated using the OMB Circular A-21 methodology using *Salaries and Benefits* in the base, then the claims can be filed using either the LGeC system or the manual

paper process. In these cases, the indirect cost rate is calculated in accordance with the chosen methodology and keyed into the mandated cost form on the appropriate line (usually Form 1, line (06)), *Indirect Cost Rate*. The LGeC system will apply that rate to *Salaries and Benefits* (usually Form 1, line (5)(a)) to arrive at the total indirect costs (usually Form 1, line (7)).

The SCO developed form FAM-29C to be consistent with the OMB Circular A-21 cost accounting principles as they apply to mandated cost programs. The objective is to determine an equitable rate to allocate administrative support to personnel who performed the mandated cost activities. The methodology used in form FAM-29C is a direct cost base comprised of salary and benefit costs. This provides a consistent indirect cost rate methodology for all CCD's mandated cost programs.

FAM-29C uses expenditures that districts report in their California Community Colleges Annual Financial and Budget Report (CCFS-311), Expenditures by Activity for the General Fund – Combined. CCD's must use the CCFS-311 report applicable to the fiscal year of the reimbursement claim submitted. The computation excludes capital outlay and other outgo in accordance with the OMB Circular A-21. The indirect cost rate computation includes any depreciation or use allowance applicable to district buildings and equipment. Districts calculate depreciation or use allowance costs separately from the CCFS-311 report and should calculate them in accordance with the OMB Circular A-21.

The OMB Circular A-21, Section C.4, states that a cost is allocable to a particular cost objective in accordance with the relative benefits received. Also, Section E.2.b., states that the overall objective of the cost allocation process is to distribute indirect costs to the institution's major functions in proportions reasonably consistent with their use of the institution's resources. In addition, Section E.2.c. notes that where certain items or categories of expense relate to less than all functions, such expenses should be set aside for selective allocation.

The OMB Circular A-21, Section H, describes a simplified method for indirect cost rate calculations. However, Section H.1.b. states that the simplified method should not be used where it produces results that appear inequitable. As previously noted, FAM-29C strives to equitably allocate administrative support costs to personnel that perform mandated cost activities claimed by CCD's. For example, library costs and department administration expenses, normally classified fully or partly as indirect costs in the OMB Circular A-21, are instead classified as direct costs for FAM-29C. These costs do not benefit mandated cost activities. In summary, FAM-29C indirect costs include operation and maintenance of plant; planning, policy making, and coordination; general institutional support services (excluding community relations); and depreciation or use allowance. Community relations include fundraising costs, which are unallowable under OMB Circular A-21. If the district claims any costs from these indirect accounts as direct mandate-related costs, the same costs should be reclassified as direct on FAM-29C.

Table 4 presents an example of the FAM-29C methodology.

Table 4: Indirect Cost Rate for Community Colleges

(1) Claimant	MANDATED COST				FORM
	INDIRECT COST RATE FOR COMMUNITY COLLEGE DISTRICTS				FAM 29-C
Activity	EDP	Salaries and Benefits per CCFS-311	Operating Expenses per CCFS-311	Indirect-Salaries Benefits, and Operating Expenses	Direct-Salaries and Benefits only
Instructional Activities	599	\$ 46,249,931	\$ 8,289,190	\$	\$ 46,249,931
Instruct. Admin. & Instruct. Governance	6000	5,181,935	631,615		5,181,935
Instructional Support Services	6100	4,361,061	445,196		4,361,061
Admissions and Records	6200	1,251,539	96,634		1,251,539
Student Counseling and Guidance	6300	3,373,121	80,201		3,373,121
Other Student Services	6400	5,511,511	1,116,904		5,511,511
Operation and Maintenance of Plant	6500	5,192,099	3,192,398	8,384,497	
Planning, Policy Making, and Coordination	6600	2,562,909	1,096,833	3,659,742	
General Institutional Support Services	6700				
Community Relations	6710	446,207	228,320		446,207
Fiscal Operations	6720	2,342,316	315,019	2,657,335	
Human Resources Management	6730	1,057,387	102,600	1,159,987	
Non-instructional Staff Retirees' Benefits and Retirement Incentives	6740	1,327,125	-	1,327,125	
Staff Development	6750	1,295	34,931	36,226	
Staff Diversity	6760	449,392	394,915	844,307	
Logistical Services	6770	2,853,609	354,953	3,208,562	
Management Information Systems	6780	2,386,511	894,685	3,281,196	
Other General Institutional Support Services	6790	19,635	1,679	21,314	
Community Services and Economic Development	6800	963,036	688,648		963,036
Ancillary Services	6900	723,450	224,961		723,450
Auxiliary Operations	7000	565,859	12,179		565,859
Depreciation or Use Allowance - Building				2,620,741	
Depreciation or Use Allowance - Equipment				721,097	
<b>Totals</b>		<u>\$ 86,819,928</u>	<u>\$ 18,201,861</u>	<u>\$ 27,922,129</u>	<u>\$ 68,627,650</u>
				(A)	(B)
<b>Indirect Cost Rate (A)/(B)</b>				<u>40.69%</u>	

## 11. Time Study Guidelines

### Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

### Actual Time Reporting

Each program's P's and G's define reimbursable activities for the mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for actual time reporting.

### Time Study

In certain cases, a time study may be used as a substitute for continuous records of actual time spent on multiple activities and/or programs. A time study can be used for an activity when the task is repetitive in nature. Activities that require varying levels of effort are not appropriate for time studies.

### Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time periods to be studied - The plan must show that all time periods selected are representative of the fiscal year and that the results can be reasonably projected to approximate actual costs;
- Activities to be studied - The time study must separately identify each reimbursable activity defined in the mandated program's P's and G's. If a reimbursable activity identifies separate and distinct sub-activities, these sub-activities also must be treated as individual activities;

For example, sub-activities (a) and (b) under reimbursable activity (1) of the Agency Fee Arrangements Program relate to salary deduction and payment of fair share and are not separate and distinct activities. It is not necessary to separately study these sub-activities.

- Process used to accomplish each reimbursable activity - Use flowcharts or similar analytical tools and/or written desk procedures to describe the process followed to complete each activity;
- Employee universe - The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology - The plan must show that employees selected are representative of the employee universe and that the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;

- Time increments to be recorded - The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) can be used for employees performing only a few functions that change very slowly over time. Small increments (a number of minutes) can be used for employees performing more short-term tasks.

Random-moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random-moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

### **Time Study Documentation**

Time studies must:

- Be supported by time records that are completed when the activity occurs;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities performed during a specific time period;
- Coincide with one or more pay periods.

Time records must be signed by the employee and be supported by documentation that validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

### **Time Study Results**

Claimants must summarize time study results to show how the time study supports the costs claimed for each activity. Any variation from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant also may apply time study results retroactively to initial claims, current-year claims, and late-filed claims.

When projecting time study results, the claimant must certify that no significant changes have occurred between years in either (1) the requirements of each mandated program activity; or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain documentation that shows that the mandated activity was actually performed. Time study results used to support claims are subject to the record-keeping requirements for those claims.

## **12. Offsets Against State Mandated Claims**

As noted previously, allowable costs are defined as those direct and indirect costs, less applicable credits, considered eligible for reimbursement. When all or part of the costs of a mandated program are specifically reimbursable from local assistance revenue sources (e.g., state, federal, foundation, etc.), only that portion of any increased cost payable from CCD funds is eligible for reimbursement under the provisions of GC Section 17561.

### **A. Example 1:**

As illustrated in Table 5, this example shows how the Offset Against State Mandated Claims is determined for a CCD receiving block grant revenues not based on a formula allocation. Program costs for each situation equal \$100,000.



Table 5: Offsets Against State Mandates, Example 1

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,00	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000	50,000	2,500	1,250	1,250
6.	100,000	49,000	2,500	250	2,250

\* CCD share is \$50,000 of the program cost.

- Numbers (1) through (4) in Table 5, show intended funding at 100% from local assistance revenue sources. Numbers (5) and (6) show cost sharing on a 50/50 basis with the district. In numbers (1) through (6), included in the program costs of \$100,000 are state mandated costs of \$2,500. The offset against state mandated claims are the amount of actual local assistance revenues, which exceeds the difference between program costs and state mandated costs. This offset cannot exceed the amount of state mandated costs.
- In (1), local assistance revenues were less than expected. Local assistance funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs.
- In (4), local assistance revenues were fully realized to cover the entire cost of the program, including the state mandated activity; therefore, the offset against state mandated claims is \$2,500, and claimable cost is \$0.
- In (5), the district is sharing 50% of the project cost. Since local assistance revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.
- In (6), local assistance revenues were less than the amount expended and the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.

#### B. Example 2:

As illustrated in Table 6, this example shows how the offset against state mandated claims is determined for a CCD receiving special project funds based on approved actual costs. Local assistance revenues for special projects must be applied proportionately to the approved costs.

Table 6: Offset Against State Mandates, Example 2

	Program Costs	Actual Local Assistance Revenues	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	100,000 **	45,000	1,500	1,125	375

\*\* CCD share is \$25,000 of the program cost.

In (2), the entire program cost was approved. Since the local assistance revenue source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

If in (3) local assistance revenues are less than the amount expected because only \$60,000 of the \$100,000 program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

### 13. Notice of Claim Adjustments

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustments made by the SCO.

### 14. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

### 15. Source Documents

Costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee records, or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification stating: "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct" and must further comply with the requirements of Code of Civil Procedure Section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

### 16. Claim Forms and Instructions

Unless you are filing electronically, a claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms

provided with these instructions should be duplicated or printed from SCO's Web site and used by the claimant to file reimbursement claims. The SCO will revise the manual and claim forms as necessary.

**A. Form-2, Activity Cost Detail**

This form is used to segregate the direct costs by claim activity. In some mandates, specific reimbursable activities have been identified for each activity. The expenses reported on this form must be supported by the official financial records of the claimant. All documents used to support the reimbursable activities must be retained by the claimant unless required to be submitted with the claim and must be made available to the SCO on request.

**B. Form-1, Claim Summary**

This form is used to summarize direct costs by activity and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

**C. Form FAM-27, Claim for Payment**

This form contains a certification that must be signed by an authorized officer of the CCD. All applicable information from Form 1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Submit a signed original FAM-27 and one copy with required documents. **Please sign the FAM-27 in blue ink and attach the copy to the top of the claim package.**

Mandated costs claiming instructions and forms are available online at the SCO's website: [www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html).

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 700  
Sacramento, CA 95816

If you have any questions, you may e-mail [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov) or call the Local Reimbursements Section at (916) 324-5729.

**17. Retention of Claiming Instructions**

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at [www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html).

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, or by e-mail to [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov), or call the Local Reimbursements Section at (916) 324-5729.

**18. Retention of Claim Records and Supporting Documentation**

Pursuant to Government Code Section 17558.5, (a), a reimbursement claim for actual costs filed by a CCD is subject to the initiation of an audit by the Controller no later than three years after the date

that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.



**FY 1999-00**  
**Integrated Waste Management Claim**

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	For State Controller Use Only (19) Program Number 00256 (20) Date Filed <b>OCT 05 2005</b> (21) LRS Input <u>    </u> / <u>    </u> / <u>    </u>	<b>Program</b> <span style="font-size: 2em; font-weight: bold;">256</span>
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LABEL HERE	(01) Claimant Identification Number: <b>CC 19090</b>		Reimbursement Claim Data			
	(02) Claimant Name: <b>Citrus Community College District</b>		(22) IWM-1, (03)(A)(1)(f)	151		
	(03) County of Location: <b>Los Angeles</b>		(23) IWM-1, (03)(A)(2)(f)	1,948		
	(04) Street Address: <b>1000 West Foothill Blvd.</b>		(24) IWM-1, (03)(B)(1)(f)	2,877		
	(05) City: <b>Glendora</b>	(06) State: <b>CA</b>	(07) Zip Code: <b>91741-1899</b>	(25) IWM-1, (03)(B)(2)(f)	0	
	Type of Claim		Estimated Claim		Reimbursement Claim	
			(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) IWM-1, (03)(B)(3)(f)	0
			(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	0
			(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	4,198
					(29) IWM-1, (03)(C)(1)(f)	0
(12) Fiscal Year of Cost: <b>1999-2000</b>		(13) Total Claimed Amount: <b>\$ 12,792</b>	(30) IWM-1, (03)(C)(2)(f)	0		
(14) Less: 10% Late Penalty		(15) Less: Prior Claim Payment Received	(31) IWM-1, (03)(D)(f)	0		
(16) Net Claimed Amount: <b>\$ 12,792</b>		(17) Due from State: <b>\$ 12,792</b>	(32) IWM-1, (03)(E)(f)	0		
(18) Due to State		(33) IWM-1, (03)(F)(f)	0			
		(34) IWM-1, (06)	3,908			
		(35) IWM-1, (08)	290			
		(36) IWM-1, (09)	0			

**(37) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

*Carol R. Horton* 9/26/05

Carol R. Horton V.P., Financial and Administrative Services

Type or Print Name Title

(38) Name of Contact Person for Claim: **SixTen and Associates** Telephone Number: **(858) 514-8605**

E-mail Address: **kbpsixten@aol.com**

<b>Program 256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>					<b>FORM IWM-1</b>
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>			Fiscal Year 1999-2000
Direct Costs		Object Accounts				
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ 151.40	\$ -	\$ -	\$ -	\$ 151.40
2	Staff Training	\$ 1,485.59	\$ -	\$ -	\$ 461.98	\$ 1,947.57
<b>B. Ongoing Activities</b>						
1	Completion and Submission of Plan to Board	\$ 2,876.60	\$ -	\$ -	\$ -	\$ 2,876.60
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 4,198.30	\$ -	\$ -	\$ -	\$ 4,198.30
<b>C. Alternative Compliance</b>						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
(04) Total Direct Costs	\$ 8,711.89	\$ -	\$ -	\$ -	\$ 461.98	\$ 9,173.87
<b>Indirect Costs</b>						
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					44.86%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 3,908.15
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 13,082.02
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ 289.54
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 12,792.48



Program <b>256</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  ACTIVITY COST DETAIL</b>	<b>FORM                  IWM-2</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 1999-2000
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<b>One-Time Activities</b>	<input checked="" type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
<b>Ongoing Activities</b>	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
<b>Alternative Compliance</b>	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Developing the necessary district policies and procedures Cope, James    Safety Coordinator	\$37.85	4.0	\$ 151.40				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 151.40	\$ -	\$ -	\$ -	\$ -
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Program <b>286</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 1999-2000
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan							
Cope, James Safety Coordinator	\$37.85	22.5	\$ 851.63				
Travel and Training James Cope	\$461.98	1.0					\$ 461.98
Hipple, Thomas Director of Purchasing	\$46.96	13.6	\$ 633.96				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 1,485.59	\$ -	\$ -	\$ -	\$ 461.98
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Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM <b>IWM-2</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 1999-2000
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input checked="" type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses				Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training		
Completing/submitting the State Agency Model Integrated Waste Management Plan Cope, James Safety Coordinator	\$37.85	76.0	\$ 2,876.60						
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>				Page 1 of 1	\$ 2,876.60	\$ -	\$ -	\$ -	\$ -

Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>IWM-2</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 1999-2000
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling Custodians Various	\$18.40	150.0	\$ 2,760.00				
Cope, James Safety Coordinator	\$37.85	32.0	\$ 1,211.20				
Diverting solid waste from landfill disposal or transformation facilities - special waste Cope, James Safety Coordinator	\$37.85	6.0	\$ 227.10				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 4,198.30	\$ -	\$ -	\$ -	\$ -
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**FY 2000-01**  
**Integrated Waste Management Claim**

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	(19) Program Number <u>00256</u> (20) Date Filed <u>06/08/05</u> (21) LRS Input <u>   /   /   </u>	Program <b>256</b>
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LABEL HERE	(01) Claimant Identification Number: <u>CC 19090</u>		<b>Reimbursement Claim Data</b>		
	(02) Claimant Name: <u>Citrus Community College District</u>		(22) IWM-1, (03)(A)(1)(f)	0	
	(03) County of Location: <u>Los Angeles</u>		(23) IWM-1, (03)(A)(2)(f)	3,108	
	(04) Street Address: <u>1000 West Foothill Blvd.</u>		(24) IWM-1, (03)(B)(1)(f)	0	
	(05) City: <u>Glendora</u>	(06) State: <u>CA</u>	(07) Zip Code: <u>91741-1899</u>	(25) IWM-1, (03)(B)(2)(f)	0
	(08) Type of Claim	(09) Estimated Claim	(10) Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f)	0
		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	0
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	9,569
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0
	(12) Fiscal Year of Cost	(06)	(12) <u>2000-2001</u>	(30) IWM-1, (03)(C)(2)(f)	0
(13) Total Claimed Amount	(07)	(13) \$ <u>19,014</u>	(31) IWM-1, (03)(D)(f)	0	
(14) Less: 10% Late Penalty		(14) \$ <u>-</u>	(32) IWM-1, (03)(E)(f)	807	
(15) Less: Prior Claim Payment Received		(15) \$ <u>-</u>	(33) IWM-1, (03)(F)(f)	0	
(16) Net Claimed Amount		(16) \$ <u>19,014</u>	(34) IWM-1, (06)	5,549	
(17) Due from State	(08)	(17) \$ <u>19,014</u>	(35) IWM-1, (08)	18	
(18) Due to State		(18)	(36) IWM-1, (09)	0	

**(37) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Carol R. Horton Date 9/26/05

Carol R. Horton V.P., Financial and Administrative Services  
 Type or Print Name Title

(38) Name of Contact Person for Claim Telephone Number: (858) 514-8605  
SixTen and Associates E-mail Address: kbsixten@aol.com

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>					<b>FORM</b> <b>IWM-1</b>
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2000-2001	
<b>Direct Costs</b>		<b>Object Accounts</b>				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ 2,037.60	\$ -	\$ -	\$ 1,069.96	\$ 3,107.56
<b>B. Ongoing Activities</b>						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 9,569.25	\$ -	\$ -	\$ -	\$ 9,569.25
<b>C. Alternative Compliance</b>						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
<b>E. Annual Report</b>						
		\$ 806.55	\$ -	\$ -	\$ -	\$ 806.55
<b>F. Annual Recycled Material Reports</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
<b>(04) Total Direct Costs</b>		<b>\$ 12,413.40</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,069.96</b>	<b>\$ 13,483.36</b>
<b>Indirect Costs</b>						
(05) Indirect Cost Rate			[Federally approved OMB A-21, FAM-29C, or 7%]			44.70%
(06) Total Indirect Costs			[Line (05) x line (04)(a)]			\$ 5,548.79
(07) Total Direct and Indirect Costs			[Line (04)(f) + line (06)]			\$ 19,032.15
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings					\$ 18.11	
(09) Less: Other Reimbursements					\$ -	
<b>(10) Total Claimed Amount</b>					<b>\$ 19,014.04</b>	
					[Line (07) - (Line (08) + Line (09))]	

<b>Program 256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM IWM-2</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year <b>2000-2001</b>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<b>One-Time Activities</b>	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training
<b>Ongoing Activities</b>	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
<b>Alternative Compliance</b>	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts										
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training						
Training district staff on the requirements and implementation of the plan Cope, James Travel and Training	\$42.45 \$1,069.96	48.0 1.0	\$ 2,037.60				\$ 1,069.96						
<table border="0" style="width:100%;"> <tr> <td style="width:30%;">(05) Total</td> <td style="width:30%;"><input checked="" type="checkbox"/></td> <td style="width:30%;"></td> </tr> <tr> <td>Subtotal</td> <td><input type="checkbox"/></td> <td></td> </tr> </table>			(05) Total	<input checked="" type="checkbox"/>		Subtotal	<input type="checkbox"/>		\$ 2,037.60	\$ -	\$ -	\$ -	\$ 1,069.96
(05) Total	<input checked="" type="checkbox"/>												
Subtotal	<input type="checkbox"/>												



Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2000-2001
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Custodians	\$19.87	300.0	\$ 5,961.00				
Cope, James	\$42.45	59.0	\$ 2,504.55				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Cope, James	\$42.45	26.0	\$ 1,103.70				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>			\$ 9,569.25	\$ -	\$ -	\$ -	\$ -

<b>Program 256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM IWM-2</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2000-2001
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process <input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input checked="" type="checkbox"/> Annual Report <input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Reporting annually to the Board quantities of recyclable materials collected Cope, James Safety Coordinator	\$42.45	19.0	\$ 806.55				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>		Page 1 of 1	\$ 806.55	\$ -	\$ -	\$ -

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**FY 2003-04**  
**Integrated Waste Management Claim**

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	For State Controller Use Only (19) Program Number 00256 (20) Date Filed <b>OCT 06 2005</b> (21) LRS Input ___/___/___	Program <b>256</b>
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LABEL HERE	(01) Claimant Identification Number: <b>CC 19090</b>		Reimbursement Claim Data	
	(02) Claimant Name: <b>Citrus Community College District</b>		(22) IWM-1, (03)(A)(1)(f)	0
	County of Location: <b>Los Angeles</b>		(23) IWM-1, (03)(A)(2)(f)	0
	Street Address: <b>1000 West Foothill Blvd.</b>		(24) IWM-1, (03)(B)(1)(f)	0
	City: <b>Glendora</b>	State: <b>CA</b>	Zip Code: <b>91741-1899</b>	(25) IWM-1, (03)(B)(2)(f) <span style="float: right;">0</span>
	Type of Claim	Estimated Claim	Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f) <span style="float: right;">0</span>
		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f) <span style="float: right;">0</span>
		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f) <span style="float: right;">12,220</span>
		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f) <span style="float: right;">0</span>
	Fiscal Year of Cost	(06)	(12) <b>2003-2004</b>	(30) IWM-1, (03)(C)(2)(f) <span style="float: right;">0</span>
Total Claimed Amount	(07)	(13) \$ <b>19,204</b>	(31) IWM-1, (03)(D)(f) <span style="float: right;">0</span>	
Less: 10% Late Penalty		(14) \$	(32) IWM-1, (03)(E)(f) <span style="float: right;">976</span>	
Less: Prior Claim Payment Received		(15) \$	(33) IWM-1, (03)(F)(f) <span style="float: right;">0</span>	
Net Claimed Amount		(16) \$ <b>19,204</b>	(34) IWM-1, (06) <span style="float: right;">6,008</span>	
Due from State	(08)	(17) \$ <b>19,204</b>	(35) IWM-1, (08) <span style="float: right;">0</span>	
Due to State		(18)	(36) IWM-1, (09) <span style="float: right;">0</span>	

**(37) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

*Carol R. Horton* 9/26/05

Carol R. Horton V.P., Financial and Administrative Services

Type or Print Name Title

(38) Name of Contact Person for Claim Telephone Number: (858) 514-8605

**SixTen and Associates** E-mail Address: kbpsixten@aol.com

<b>Program 256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>					<b>FORM IWM-1</b>
(01) Claimant: Citrus Community College District			(02) Type of Claim: Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year: 2003-2004	
Direct Costs		Object Accounts				
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 12,220.30	\$ -	\$ -	\$ -	\$ 12,220.30
<b>C. Alternative Compliance</b>						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
<b>E. Annual Report</b>						
		\$ 975.65	\$ -	\$ -	\$ -	\$ 975.65
<b>F. Annual Recycled Material Reports</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
(04) Total Direct Costs		\$ 13,195.95	\$ -	\$ -	\$ -	\$ 13,195.95
<b>Indirect Costs</b>						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 7%]				45.53%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 6,008.12
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				\$ 19,204.07
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount		[Line (07) - (Line (08) + Line (09))]				\$ 19,204.07

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Program <b>258</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM IWM-2</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year <b>2003-2004</b>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Cope, James Safety Coordinator	\$51.35	72.0	\$ 3,697.20				
Custodians Various	\$23.96	300.0	\$ 7,188.00				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Cope, James Safety Coordinator	\$51.35	26.0	\$ 1,335.10				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 12,220.30	\$ -	\$ -	\$ -	\$ -
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<b>Form 256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM IWM-2</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2003-2004
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input checked="" type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Reporting annually to the Board quantities of recyclable materials collected Cope, James Safety Coordinator	\$51.35	18.0	\$ 975.65				
<b>Total</b>			<b>\$ 975.65</b>				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 975.65	\$ -	\$ -	\$ -	\$ -
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**FY 2004-05**  
**Integrated Waste Management Claim**



<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	(19) Program Number 00256 (20) Date Filed <u>06/06/2005</u> (21) LRS <u>06/06/2005</u>	<b>Program</b> <span style="font-size: 2em; font-weight: bold;">256</span>
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L A B E L  H E R E	(01) Claimant Identification Number: <b>CC 19090</b>	Reimbursement Claim Data	
	(02) Claimant Name: <b>Citrus Community College District</b>	(22) IWM-1, (03)(A)(1)(f)	0
	County of Location: <b>Los Angeles</b>	(23) IWM-1, (03)(A)(2)(f)	0
	Street Address: <b>1000 West Foothill Blvd.</b>	(24) IWM-1, (03)(B)(1)(f)	0
	City: <b>Glendora</b> State: <b>CA</b> Zip Code: <b>91741-1899</b>	(25) IWM-1, (03)(B)(2)(f)	0
		(26) IWM-1, (03)(B)(3)(f)	0

Type of Claim	Estimated Claim	Reimbursement Claim	
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f) <span style="float: right;">135</span>
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f) <span style="float: right;">10,333</span>
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f) <span style="float: right;">0</span>
Fiscal Year of Cost	(06) <b>2005-2006</b>	(12) <del>2004-2005</del>	(30) IWM-1, (03)(C)(2)(f) <span style="float: right;">0</span>
Total Claimed Amount	(07) \$ <b>16,800</b>	(13) \$ <b>15,362</b>	(31) IWM-1, (03)(D)(f) <span style="float: right;">0</span>
Less: 10% Late Penalty		(14) \$ -	(32) IWM-1, (03)(E)(f) <span style="float: right;">647</span>
Less: Prior Claim Payment Received		(15) \$ -	(33) IWM-1, (03)(F)(f) <span style="float: right;">0</span>
Net Claimed Amount		(16) \$ <b>15,362</b>	(34) IWM-1, (06) <span style="float: right;">4,510</span>
Due from State	(08) \$ <b>16,800</b>	(17) \$ <b>15,362</b>	(35) IWM-1, (08) <span style="float: right;">263</span>
Due to State		(18)	(36) IWM-1, (09) <span style="float: right;">0</span>

**(37) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) _____ Carol R. Horton Type or Print Name	Date <u>9/26/05</u> _____ V.P., Financial and Administrative Services Title
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(38) Name of Contact Person for Claim: **SixTen and Associates**

Telephone Number: **(858) 514-8605**

E-mail Address: **kbpsixten@aol.com**

<b>Program 256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>					<b>FORM IWM-1</b>
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2004-2005	
Direct Costs		Object Accounts				
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ 134.78	\$ -	\$ -	\$ -	\$ 134.78
5	Diversion and Maintenance of Approved Level of Reduction	\$ 10,333.05	\$ -	\$ -	\$ -	\$ 10,333.05
<b>C. Alternative Compliance</b>						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
<b>E. Annual Report</b>						
		\$ 646.92	\$ -	\$ -	\$ -	\$ 646.92
<b>F. Annual Recycled Material Reports</b>						
		\$ -	\$ -	\$ -	\$ -	\$ -
(04) Total Direct Costs		\$ 11,114.75	\$ -	\$ -	\$ -	\$ 11,114.75
<b>Indirect Costs</b>						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 7%]				40.58%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 4,510.37
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				\$ 15,625.12
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ 263.45
(09) Less: Other Reimbursements						\$ -
(10) Total Claimed Amount		[Line (07) - (Line (08) + Line (09))]				\$ 15,361.67

Program <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2004-2005
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input checked="" type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Consultation with Board
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Maintenance of Approved Level of Reduction
	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/04 for 50% Waste	<input type="checkbox"/> Annual Recycled Material Reports
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	Object Accounts				
			(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Designating one solid waste reduction and recycling coordinator for each college in district Cope, James Safety Coordinator	\$53.91	2.5	\$ 134.78				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 134.78	\$ -	\$ -	\$ -	\$ -
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Program <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2004-2005
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Name, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Cope, James                      Safety Coordinator	\$53.91	38.0	\$ 2,048.58				
Custodians                      Various	\$24.56	300.0	\$ 7,368.00				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Cope, James                      Safety Coordinator	\$53.91	17.0	\$ 916.47				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 10,333.05	\$ -	\$ -	\$ -	\$ -
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Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM IWM-2
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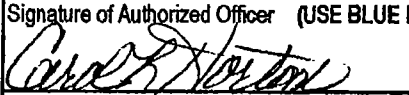
(01) Claimant Citrus Community College District	(02) Fiscal Year <b>2004-2005</b>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input checked="" type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts												
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training								
Reporting annually to the Board quantities of recyclable materials collected Cope, James Safety Coordinator	\$53.91	12.0	\$ 646.92												
<table border="0" style="width:100%;"> <tr> <td style="width:33%;">(05) Total <input checked="" type="checkbox"/></td> <td style="width:33%;">Subtotal <input type="checkbox"/></td> <td style="width:33%;">Page 1 of 1</td> <td style="text-align: right;">\$ 646.92</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> </table>			(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 646.92	\$ -	\$ -	\$ -	\$ -					
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 646.92	\$ -	\$ -	\$ -	\$ -								

**FY 2005-06**  
**Integrated Waste Management Claim**

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT			(19) Program Number 00256 (20) Date Filed 1/1/06 (21) LRS in DEC 18 2005	Program <b>256</b>	
(01) Claimant Identification Number: CC 19090			Reimbursement Claim Data		
L A B E L H E R E	(02) Claimant Name Citrus Community College District		(22) IWM-1, (03)(A)(1)(f)	0	
	County of Location Los Angeles		(23) IWM-1, (03)(A)(2)(f)	0	
	Street Address 1000 West Foothill Boulevard		(24) IWM-1, (03)(B)(1)(f)	0	
	City Glendora	State CA	Zip Code 91741-1899	(25) IWM-1, (03)(B)(2)(f)	0
	Type of Claim	Estimated Claim	Reimbursement Claim	(26) IWM-1, (03)(B)(3)(f)	0
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)	195	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)	45,044	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) IWM-1, (03)(C)(1)(f)	0	
Fiscal Year of Cost	(06) 2006-2007	(12) <del>2005-2006</del>	(30) IWM-1, (03)(C)(2)(f)	0	
Total Claimed Amount	(07) \$ 62,400	(13) \$ 56,814	(31) IWM-1, (03)(D)(f)	104	
Less: 10% Late Penalty		(14) \$ -	(32) IWM-1, (03)(E)(f)	0	
Less: Prior Claim Payment Received		(15) \$ -	(33) IWM-1, (03)(F)(f)	0	
Net Claimed Amount		(16) \$ 56,814	(34) IWM-1, (06)	12,950	
Due from State	(08) \$ 62,400	(17) \$ 56,814	(35) IWM-1, (08)	1,479	
Due to State		(18)	(36) IWM-1, (09)	0	
<b>(37) CERTIFICATION OF CLAIM</b>					
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer (USE BLUE INK) 			Date 12-7-06		
Carol R. Horton Type or Print Name			Vice President, Financial & Administrative Services Title		
(38) Name of Contact Person for Claim SixTen and Associates			Telephone Number: (858) 514-8605 E-mail Address: kbpsixten@aol.com		

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>					<b>FORM</b> <b>IWM-1</b>
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2005-2006	
<b>Direct Costs</b>		<b>Object Accounts</b>				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ 195.00	\$ -	\$ -	\$ -	\$ 195.00
5	Diversion and Maintenance of Approved Level of Reduction	\$ 31,597.59	\$ -	\$ -	\$ 13,446.00	\$ 45,043.59
<b>C. Alternative Compliance</b>						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>		\$ 103.87	\$ -	\$ -	\$ -	\$ 103.87
<b>E. Annual Report</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>F. Annual Recycled Material Reports</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>(04) Total Direct Costs</b>		\$ 31,896.46	\$ -	\$ -	\$ 13,446.00	\$ 45,342.46
<b>Indirect Costs</b>						
(05) Indirect Cost Rate		[Federally approved OMB A-21, FAM-29C, or 7%]				40.60%
(06) Total Indirect Costs		[Line (05) x line (04)(a)]				\$ 12,949.96
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]				\$ 58,292.42
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ 1,478.59
<b>(10) Total Claimed Amount</b>		<b>[Line (07) - (Line (08) + Line (09))]</b>				<b>\$ 56,813.83</b>



Program <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2005-2006
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input checked="" type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Designating one solid waste reduction and recycling coordinator for each college in district Eichler, Jeff      E H & S Program Supervisor	\$39.00	5.0	\$ 195.00				

(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 195.00	\$ -	\$ -	\$ -	\$ -
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Program <b>255</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2005-2006
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training	
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process	<input type="checkbox"/> Consultation with Board
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction	
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste	
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report	<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - source reduction Eichler, Jeff      E H & S Program Supervisor	\$39.00	2.0	\$ 78.00				
Diverting solid waste from landfill disposal or transformation facilities - recycling Machining & Mfg. Services Cardboard Baler	\$100.00	134.5				\$ 13,446.00	
Custodians      Various	\$25.60	528.4	\$ 13,527.04				
Eichler, Jeff      E H & S Program Supervisor	\$39.00	441.0	\$ 17,199.00				
Diverting solid waste from landfill disposal or transformation facilities - special waste Eichler, Jeff      E H & S Program Supervisor	\$39.00	18.0	\$ 702.00				
Procuring materials/equipment necessary for maintaining approved level of reduction Arnold, Leslie      Custodial Supervisor	\$45.16	0.3	\$ 13.55				
Eichler, Jeff      E H & S Program Supervisor	\$39.00	2.0	\$ 78.00				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 31,697.69	\$ -	\$ -	\$ 13,446.00	\$ -
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Program <b>256</b>	<b>MANDATED COSTS                  INTEGRATED WASTE MANAGEMENT                  ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2005-2006
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input checked="" type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Developing, implementing, maintaining accounting system to track source reduction, recycling, or composting Arnold, Leslie      Custodial Supervisor	\$45.16	2.3	\$ 103.87				
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>			\$ 103.87	\$ -	\$ -	\$ -	\$ -

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**FY 2006-07**  
**Integrated Waste Management Claim**

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	(19) Program Number 00256 (20) Date Filed <b>JAN 27 200</b> (21) LRS Input <u>    </u> / <u>    </u> / <u>    </u>
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(01) Claimant Identification Number: <b>CC 19090</b>	<b>Reimbursement Claim Data</b>	
(02) Claimant Name: <b>Citrus Community College District</b>	(22) IWM-1, (03)(A)(1)(f)	0
County of Location: <b>Los Angeles</b>	(23) IWM-1, (03)(A)(2)(f)	1,367
Street Address: <b>1000 West Foothill Boulevard</b>	(24) IWM-1, (03)(B)(1)(f)	0
City: <b>Glendora</b> State: <b>CA</b> Zip Code: <b>91741-1899</b>	(25) IWM-1, (03)(B)(2)(f)	0
<b>Type of Claim</b>	<b>Estimated Claim</b>	<b>Reimbursement Claim</b>
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26) IWM-1, (03)(B)(3)(f)      0
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27) IWM-1, (03)(B)(4)(f)      0
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28) IWM-1, (03)(B)(5)(f)      60,386
		(29) IWM-1, (03)(C)(1)(f)      0
Fiscal Year of Cost: (06) <b>2007-2008</b>	(12) <b>2006-2007</b>	(30) IWM-1, (03)(C)(2)(f)      0
Total Claimed Amount: (07) \$ <b>92,600</b>	(13) \$ <b>84,237</b>	(31) IWM-1, (03)(D)(f)      0
Less: 10% Late Penalty, not to exceed \$10,000	(14) \$ <b>-</b>	(32) IWM-1, (03)(E)(f)      0
Less: Prior Claim Payment Received	(15) \$ <b>-</b>	(33) IWM-1, (03)(F)(f)      0
Net Claimed Amount	(16) \$ <b>84,237</b>	(34) IWM-1, (06)      25,685
Due from State: (08) \$ <b>92,600</b>	(17) \$ <b>84,237</b>	(35) IWM-1, (08)      0
Due to State	(18)	(36) IWM-1, (09)      3,201

**(37) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer (USE BLUE INK) Date

*Carol R. Horton* 1-18-08

Carol R. Horton Vice President, Financial & Administrative Services

Type or Print Name Title

(38) Name of Contact Person for Claim Telephone Number: (858) 514-8605

SixTen and Associates E-mail Address: kbpsixten@aol.com

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>					<b>FORM</b> <b>IWM-1</b>
(01) Claimant: Citrus Community College District			(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2006-2007	
<b>Direct Costs</b>		<b>Object Accounts</b>				
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
<b>A. One-Time Activities</b>						
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2	Staff Training	\$ 1,366.56	\$ -	\$ -	\$ -	\$ 1,366.56
<b>B. Ongoing Activities</b>						
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -
4	Designation of Waste Reduction and Recycling Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -
5	Diversion and Maintenance of Approved Level of Reduction	\$ 59,861.24	\$ -	\$ 524.82	\$ -	\$ 60,386.06
<b>C. Alternative Compliance</b>						
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -
<b>D. Accounting System</b>						
<b>E. Annual Report</b>						
<b>F. Annual Recycled Material Reports</b>						
(04) Total Direct Costs	\$ 61,227.80	\$ -	\$ 524.82	\$ -	\$ -	\$ 61,752.62
<b>Indirect Costs</b>						
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]					41.95%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]					\$ 25,685.06
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]					\$ 87,437.68
<b>Cost Reduction</b>						
(08) Less: Offsetting Savings						\$ -
(09) Less: Other Reimbursements						\$ 3,200.55
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]					\$ 84,237.13

**MANDATED COSTS  
INTEGRATED WASTE MANAGEMENT  
ACTIVITY COST DETAIL**

**FORM  
IWM-2**

(01) Claimant: Citrus Community College District  
 (02) Fiscal Year: 2006-2007

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan							
Eicher, Jeffrey Supervisor, Environmental Program	\$42.99	23.0	\$ 988.77				
Geo, Elizabeth Gardner	\$15.42	24.5	\$ 377.79				
<b>(05) Total</b>			<b>\$ 1,368.56</b>				

New 06/05

**MANDATED COSTS  
INTEGRATED WASTE MANAGEMENT  
ACTIVITY COST DETAIL**

**FORM  
IWM-2**

(01) Claimant  
Citrus Community College District

(02) Fiscal Year  
2006-2007

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<p><b>One-Time Activities</b></p> <p><input type="checkbox"/> Development of Policies and Procedures</p> <p><b>Ongoing Activities</b></p> <p><input type="checkbox"/> Completion and Submission of Plan to Board</p> <p><input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator</p> <p><b>Alternative Compliance</b></p> <p><input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste</p> <p><input type="checkbox"/> Accounting System</p>	<p><input type="checkbox"/> Staff Training</p> <p><input type="checkbox"/> Response to Board During Approval Process</p> <p><input type="checkbox"/> Consultation with Board</p> <p><input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction</p> <p><input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste</p> <p><input type="checkbox"/> Annual Report</p> <p><input type="checkbox"/> Annual Recycled Material Reports</p>
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(04) Description of Expenses

	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diversing solid waste from landfill disposal or transformation facilities - recycling							
Custodians Various	\$27.69	523.9	\$ 14,506.79				
Eichler, Jeffrey Supervisor, Environmental Progra	\$42.99	1,029.0	\$ 44,236.71				
Diversing solid waste from landfill disposal or transformation facilities - special waste							
Eichler, Jeffrey Supervisor, Environmental Progra	\$42.99	21.0	\$ 902.79				
Procuring materials/equipment necessary for maintaining approved level of reduction							
Eichler, Jeffrey Supervisor, Environmental Progra	\$42.99	5.0	\$ 214.95				
The Bag Connection, Inc. Contractor	\$100.00	2.0			\$ 198.37		
Western Baling Wire Contractor	\$100.00	3.3			\$ 326.45		
			<b>Total</b>	<b>\$ 59,861.24</b>	<b>\$ -</b>	<b>\$ 624.82</b>	<b>\$ -</b>



**FY 2007-08**  
**Integrated Waste Management Claim**

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>	(19) Program Number 00256 (20) Date Filed <b>DEC 29 2008</b> (21) LRS Input ___/___/___	Program <b>256</b>
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(01) Claimant Identification Number: <b>CC 19090</b>	<b>Reimbursement Claim Data</b>													
(02) Claimant Name: <b>Citrus Community College District</b>	(22) IWM-1, (03)(A)(1)(f)	0												
County of Location: <b>Los Angeles</b>	(23) IWM-1, (03)(A)(2)(f)	2,558												
Street Address: <b>1000 West Foothill Boulevard</b>	(24) IWM-1, (03)(B)(1)(f)	0												
City: <b>Glendora</b> State: <b>CA</b> Zip Code: <b>91741-1899</b>	(25) IWM-1, (03)(B)(2)(f)	0												
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width: 33%;">Type of Claim</th> <th style="width: 33%;">Estimated Claim</th> <th style="width: 33%;">Reimbursement Claim</th> </tr> <tr> <td></td> <td>(03) Estimated <input type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> </tr> <tr> <td></td> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> </tr> <tr> <td></td> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> </tr> </table>	Type of Claim	Estimated Claim	Reimbursement Claim		(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(26) IWM-1, (03)(B)(3)(f)	0
Type of Claim	Estimated Claim	Reimbursement Claim												
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>												
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>												
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>												
	(27) IWM-1, (03)(B)(4)(f)	280												
	(28) IWM-1, (03)(B)(5)(f)	38,135												
	(29) IWM-1, (03)(C)(1)(f)	0												
Fiscal Year of Cost: (06) <b>2007-2008</b>	(12) (30) IWM-1, (03)(C)(2)(f)	0												
Total Claimed Amount: (07) \$ <b>60,573</b>	(13) (31) IWM-1, (03)(D)(f)	0												
Less: 10% Late Penalty, not to exceed \$10,000	(14) (32) IWM-1, (03)(E)(f)	0												
Less: Prior Claim Payment Received	(15) (33) IWM-1, (03)(F)(f)	0												
Net Claimed Amount: \$ <b>60,573</b>	(16) (34) IWM-1, (06)	21,495												
Due from State: (08) \$ <b>60,573</b>	(17) (35) IWM-1, (08)	0												
Due to State	(18) (36) IWM-1, (09)	1,894												

**(37) CERTIFICATION OF CLAIM**

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, Inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer <b>(USE BLUE INK)</b> _____ Carol R. Horton Type or Print Name	Date <b>12-15-08</b> _____ Vice President, Financial and Administrative Services Title
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(38) Name of Contact Person for Claim: **SixTen and Associates**

Telephone Number: **(858) 514-8605**

E-mail Address: **kbpsixten@aol.com**

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>IWM-1</b>
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(01) Claimant: Citrus Community College District	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2007-2008
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Direct Costs		Object Accounts					
(03) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total	
<b>A. One-Time Activities</b>							
1	Development of Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Staff Training	\$ 2,557.58	\$ -	\$ -	\$ -	\$ 2,557.58	
<b>B. Ongoing Activities</b>							
1	Completion and Submission of Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Response to Board During Approval Process	\$ -	\$ -	\$ -	\$ -	\$ -	
3	Consultation with Board	\$ -	\$ -	\$ -	\$ -	\$ -	
4	Designation of Waste Reduction and Recycling Coordinator	\$ 280.32	\$ -	\$ -	\$ -	\$ 280.32	
5	Diversion and Maintenance of Approved Level of Reduction	\$ 38,135.23	\$ -	\$ -	\$ -	\$ 38,135.23	
<b>C. Alternative Compliance</b>							
1	Alternative Requirements or Time Extension for 1/1/02 for 25% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Alternative Requirements or Time Extension for 1/1/04 for 50% Waste	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>D. Accounting System</b>							
<b>E. Annual Report</b>							
<b>F. Annual Recycled Material Reports</b>							
(04) Total Direct Costs		\$ 40,973.13	\$ -	\$ -	\$ -	\$ 40,973.13	

<b>Indirect Costs</b>		
(05) Indirect Cost Rate	[Federally approved OMB A-21, FAM-29C, or 7%]	52.46%
(06) Total Indirect Costs	[Line (05) x line (04)(a)]	\$ 21,494.50
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)]	\$ 62,467.63

<b>Cost Reduction</b>		
(08) Less: Offsetting Savings		\$ -
(09) Less: Other Reimbursements		\$ 1,894.28
(10) Total Claimed Amount	[Line (07) - (Line (08) + Line (09))]	\$ 60,573.35

Program <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	FORM IWM-2
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input checked="" type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Training district staff on the requirements and implementation of the plan Arnold, Brian                      Custodian/Utility Worker Echler, Jeff                          Supervisor, Environmental Program	\$16.43 \$46.72	40.5 40.5	\$ 665.42 \$ 1,892.16				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 2,557.58	\$ -	\$ -	\$ -	\$ -
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Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	FORM <b>IWM-2</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input checked="" type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Designating one solid waste reduction and recycling coordinator for each college in district Echler, Jeff                      Supervisor, Environmental Program	\$46.72	6.0	\$ 280.32				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 280.32	\$ -	\$ -	\$ -	\$ -
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Program <b>256</b>	<b>MANDATED COSTS INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	FORM IWM-2
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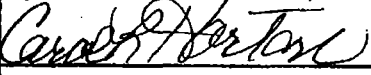
(01) Claimant Citrus Community College District	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities	<input type="checkbox"/> Development of Policies and Procedures	<input type="checkbox"/> Staff Training
Ongoing Activities	<input type="checkbox"/> Completion and Submission of Plan to Board	<input type="checkbox"/> Response to Board During Approval Process
	<input type="checkbox"/> Designation of Waste Reduction and Recycling Coordinator	<input checked="" type="checkbox"/> Maintenance of Approved Level of Reduction
Alternative Compliance	<input type="checkbox"/> Alternative Requirement or Time Extension for 1/1/02 for 25% Waste	<input type="checkbox"/> Alternative Requirement of Time Extension for 1/1/04 for 50% Waste
	<input type="checkbox"/> Accounting System	<input type="checkbox"/> Annual Report
		<input type="checkbox"/> Annual Recycled Material Reports

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverging solid waste from landfill disposal or transformation facilities - recycling							
Custodians Various	\$29.92	557.5	\$ 16,680.40				
Student Help Various	\$8.62	242.0	\$ 2,086.04				
Gee, Elizabeth EH&S Recycling Assistant	\$17.69	769.5	\$ 13,612.46				
Diverging solid waste from landfill disposal or transformation facilities - special waste							
Gee, Elizabeth EH&S Recycling Assistant	\$17.69	325.4	\$ 5,756.33				
<b>(05) Total</b> <input checked="" type="checkbox"/>			<b>Subtotal</b> <input type="checkbox"/>		Page 1 of 1		
			\$ 38,135.23	\$ -	\$ -	\$ -	\$ -

**FY 2008-09**  
**Integrated Waste Management Claim**

<b>CLAIM FOR PAYMENT</b> Pursuant to Government Code Section 17561 <b>INTEGRATED WASTE MANAGEMENT</b>		For State Controller Use only (19) Program Number 00256 (20) Date Filed <b>JAN 22 2010</b> (21) LRS Input <u>   </u>		<b>Program</b> <b>256</b>
(01) Claimant Identification Number: <b>CC 19090</b>		<b>Reimbursement Claim Data</b>		
(02) Claimant Name: <b>Citrus Community College District</b>		(22) FORM-1A, (04)(f)	<b>41,515</b>	
Address: <b>Los Angeles County</b>		(23) FORM-1A, (05)	<b>48</b>	
<b>1000 West Foothill Boulevard</b>		(24) FORM-1A, (08)	<b>60,925</b>	
<b>Glendora CA 91741-1899</b>		(25) FORM-1A, (09)		
<b>Type of Claim</b>	<b>Estimated Claim</b>	<b>Reimbursement Claim</b>	(26) FORM-1A, (10)	<b>3,308</b>
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29)	
Fiscal Year of cost	(06)	(12) <b>2008-2009</b>	(30)	
Total Claimed Amount	(07)	(13) \$ <b>57,617</b>	(31)	
Less: 10% Late Penalty (refer to claiming instructions)		(14) \$	(32)	
Less: Prior Claim Payment Received		(15) \$	(33)	
Net Claimed Amount		(16) \$ <b>57,617</b>	(34)	
Due from State	(08)	(17) \$ <b>57,617</b>	(35)	
Due to State		(18)	(36)	
<b>(37) CERTIFICATION OF CLAIM</b>				
In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.				
I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amounts for this Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer (USE BLUE INK)		Date		
		<b>1/13/10</b>		
Carol R. Horton		Vice President, Financial and Administrative Services		
Type or Print Name		Title		
(38) Name of Contact Person for Claim		Telephone Number: <b>(858) 514-8605</b>		
<b>SixTen and Associates</b>		E-mail Address: <b>kbpsixten@aol.com</b>		



<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>					<b>FORM</b> <b>1A</b>
(01) Claimant: Citrus Community College District				(02)		Fiscal Year 2008-2009
<b>Direct Costs</b>		<b>Object Accounts</b>				
		(a)	(b)	(c)	(d)	(e)
(03) Reimbursable Activities		Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training
		(f) Total				
<b>A. One-Time Activity</b>						
1.	Develop Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Train District Staff on IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
1.	Complete and Submit IWM Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Respond to Board Requirements	\$ -	\$ -	\$ -	\$ -	\$ -
3.	Consult with Board to Revise Plan	\$ -	\$ -	\$ -	\$ -	\$ -
4.	Designate Coordinator for Each College	\$ -	\$ -	\$ -	\$ -	\$ -
5.	Divert Solid Waste/Maintain Required Level	\$ 40,532.08	\$ 982.92	\$ -	\$ -	\$ 41,515.00
(04) Total Direct Costs		\$ 40,532.08	\$ 982.92	\$ -	\$ -	\$ 41,515.00
<b>Indirect Costs</b>						
(05) Indirect Cost Rate		[Refer to Claiming Instructions]				47.53%
(06) Total Indirect Costs		[Refer to Claiming Instructions]				\$ 19,264.90
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (07)]				\$ 60,779.90
(08) Total from Forms 1A, 1B, and 1C		[Add 1A(07) + 1B(07) + 1C(07)]				\$ 60,924.65
<b>Cost Reduction</b>						
(09) Less: Offsetting Savings						\$ -
(10) Less: Other Reimbursements						\$ 3,307.60
(11) Total Claimed Amount:		[Line (07) - {Line (08) + Line (09)}]				\$ 57,617.05

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>1C</b>
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(01) Claimant: Citrus Community College District	(02) Fiscal Year 2008-2009
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Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>D. Accounting System</b>	<b>Reimbursement begins January 1, 2000</b>					
1. Develop, Implement & Maintain System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>E. Annual Report of Progress</b>	<b>Reimbursement begins January 1, 2000</b>					
1. Calculations of Annual Disposal Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Information on the Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Summary of Progress Made in IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. The Extent of CCD's Use of IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Time Extension Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Alternative Reduction Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>F. Annual Recycled Material Reports</b>	<b>Reimbursement begins July 1, 1999</b>					
1. Annual Report to the Board	\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12
(04) Total Direct Costs	\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12

<b>Indirect Costs</b>		
(05) Indirect Cost Rate	[Refer to Claiming Instructions]	47.53%
(06) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 46.64
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)] [Forward total to Form-1A, line (08)]	\$ 144.76

Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>2A</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2008-2009
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(03) Reimbursable Activities: Check only **one** box per form to identify the activity being claimed.

<b>A. One-Time Activity</b> <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	<b>B. Ongoing Activities</b> <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
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(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling Custodial Staff      Various Gee, Elizabeth      EH & S Recycling Assistant Recycling Costs      Recycling	\$31.41 \$17.69 \$100.00	582.2 880.0 9.8	\$ 18,286.90 \$ 15,567.20	\$ 982.92			
Diverting solid waste from landfill disposal or transformation facilities - special waste Gee, Elizabeth      EH & S Recycling Assistant	\$17.69	377.5	\$ 6,677.98				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 40,532.08	\$ 982.92	\$ -	\$ -	\$ -
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Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>2C</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2008-2009
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.


<b>D. Accounting System</b> <input type="checkbox"/> Develop, Implement & Maintain System <b>F. Annual Recycled Materials Reports</b> <input checked="" type="checkbox"/> Annual Report to the Board	<b>E. Annual Report of Progress</b> <input type="checkbox"/> Calculations of Annual Disposal Reduction <input type="checkbox"/> Information on the Changes <input type="checkbox"/> Summary of Progress Made in IWM Plan <input type="checkbox"/> The Extent of CCD's Use of IWM Plan <input type="checkbox"/> Time Extension Summary of Progress <input type="checkbox"/> Alternative Reduction Summary of Progress
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(04) Description of Expenses Object Accounts

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Reporting annually to the Board quantities of recyclable materials collected Eichler, Jeff Supervisor, EH & S Programs	\$49.06	2.0	\$ 98.12				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 98.12	\$ -	\$ -	\$ -	\$ -
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**FY 2009-10**  
**Integrated Waste Management Claim**

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INTEGRATED WASTE MANAGEMENT		For State Controller Use only		Program <b>256</b>
		(19) Program Number	00256	
		(20) Date Filed	Jan 19 2011	
		(21) LRS Input	1/19/11	
(01) Claimant Identification Number:	CC 19090 ✓	Reimbursement Claim Data		
(02) Claimant Name	Citrus Community College District ✓ ✓	(22) FORM-1, (03)		
Address	Los Angeles County	(23) FORM-1A, (04)(A)(1)(f)		
	1000 West Foothill Boulevard	(24) FORM-1A, (04)(A)(2)(f)		
	Glendora CA 91741-1899	(25) FORM-1A, (04)(B)(1)(f)		
		(26) FORM-1A, (04)(B)(2)(f)		
	(03) Type of Claim	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1A, (04)(B)(3)(f)	
	(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1A, (04)(B)(4)(f)	
	(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1A, (04)(B)(5)(f)	30,814
Fiscal Year of cost	(06) 2009-2010 ✓	(30) FORM-1A, (06)	43	<del>13,164</del>
Total Claimed Amount	(07) \$ 39,012 ✓	(31) FORM-1A, (09)	44117	
Less: 10% Late Penalty (refer to claiming instructions)	(14) \$ -	(32) FORM-1A, (10)		<del>-5,105</del>
Less: Prior Claim Payment Received	(15) \$ -	(33) FORM-1A, (11)	5105	<del>30,012</del>
Net Claimed Amount	(16) \$ 39,012 ✓	(34)		
Due from State	(08) \$ 39,012	(17)		
Due to State	(18)	(36)		
<b>(37) CERTIFICATION OF CLAIM</b>				
In accordance with the provisions of Government district to file mandated cost claims with the State any of the provisions of Article 4, Chapter 1 of Di		officer authorized by the community college under penalty of perjury that I have not violated		
I further certify that there was no application other claimed herein, claimed costs are for a new program include charter school costs, either directly or through and guidelines are identified, and all costs claimed		payment received, for reimbursement of costs claiming program; and claimed amounts do not include reimbursements set forth in the parameters currently maintained by the claimant.		
The amount for this reimbursement is hereby certified		costs set forth on the attached statements.		
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer (USE BLUE INK) 		Date Signed 1-10-11		
Carol R. Horton, Vice President, Financial & Administrative Services		Telephone Number (626) 914-8886		
		E-mail Address chorton@citruscollege.edu		
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim Carol R. Horton, Vice President, Financial & Administrative Services		Telephone Number (626) 914-8886		
		E-mail Address chorton@citruscollege.edu		
Name of Consulting Firm/Claim Preparer SixTen and Associates		Telephone Number (858) 514-8605		
		E-mail Address kbpsixten@aol.com		

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<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>1A</b>
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(01) Claimant: Citrus Community College District	(02)	Fiscal Year 2009-2010
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**Claim Statistics**

(03) Leave Blank

Direct Costs	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
(04) Reimbursable Activities						
<b>A. One-Time Activity</b>						
1. Develop Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Train District Staff on IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
1. Complete and Submit IWM Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Respond to Board Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Consult with Board to Revise Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Designate Coordinator for Each College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Divert Solid Waste/Maintain Required Level <small>(Form 1B cannot be used if this activity is claimed)</small>	\$ 29,727.08	\$ 1,086.42	\$ -	\$ -	\$ -	\$ 30,813.50
<b>(04) Total Direct Costs</b>	<b>\$ 29,727.08</b>	<b>\$ 1,086.42</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,813.50</b>

**Indirect Costs**

(05) Indirect Cost Rate	[Refer to Claiming Instructions]	42.72%
(06) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 13,163.53
(07) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 43,977.03
(08) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	\$ 44,117.06

**Cost Reduction**

(09) Less: Offsetting Savings	\$ -
(10) Less: Other Reimbursements	\$ 5,104.93
<b>(11) Total Claimed Amount:</b>	<b>\$ 39,012.13</b>

Revised 07/09

464, 12

<b>Program</b> <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>CLAIM SUMMARY</b>	<b>FORM</b> <b>1C</b>
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(01) Claimant: Citrus Community College District	(02)	Fiscal Year 2009-2010
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Direct Costs	Object Accounts					
(03) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
<b>D. Accounting System</b>	<b>Reimbursement begins January 1, 2000</b>					
1. Develop, Implement & Maintain System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>E. Annual Report of Progress</b>	<b>Reimbursement begins January 1, 2000</b>					
1. Calculations of Annual Disposal Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Information on the Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Summary of Progress Made in IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. The Extent of CCD's Use of IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Time Extension Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Alternative Reduction Summary of Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>F. Annual Recycled Material Reports</b>	<b>Reimbursement begins July 1, 1999</b>					
1. Annual Report to the Board	\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12
(04) Total Direct Costs	\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12

<b>Indirect Costs</b>		
(05) Indirect Cost Rate	[Refer to Claiming Instructions]	42.72%
(06) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 41.92
(07) Total Direct and Indirect Costs	[Line (04)(f) + line (06)] [Forward total to Form-1A, line (09)]	\$ 140.04



Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM 2A</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2009-2010
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<b>A. One-Time Activity</b> <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	<b>B. Ongoing Activities</b> <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
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(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Battery Systems Supplies	\$100.00	10.9		\$ 1,086.42			
Custodians Various	\$31.41	602.4	\$ 18,921.38				
Gonzalez, Ana EH & S Recycling Assistant	\$11.72	230.0	\$ 2,695.60				
Diverting solid waste from landfill disposal or transformation facilities - source reduction							
Gee, Elizabeth EH & S Recycling Assistant	\$17.69	413.0	\$ 7,305.97				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Gee, Elizabeth EH & S Recycling Assistant	\$17.69	38.5	\$ 681.07				
Gonzalez, Ana EH & S Recycling Assistant	\$11.72	10.5	\$ 123.06				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>	Page 1 of 1	\$ 29,727.08	\$ 1,086.42	\$ -	\$ -	\$ -

Program <b>256</b>	<b>MANDATED COSTS</b> <b>INTEGRATED WASTE MANAGEMENT</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>2C</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 2009-2010
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<b>D. Accounting System</b> <input type="checkbox"/> Develop, Implement & Maintain System <b>F. Annual Recycled Materials Reports</b> <input checked="" type="checkbox"/> Annual Report to the Board	<b>E. Annual Report of Progress</b> <input type="checkbox"/> Calculations of Annual Disposal Reduction <input type="checkbox"/> Information on the Changes <input type="checkbox"/> Summary of Progress Made in IWM Plan <input type="checkbox"/> The Extent of CCD's Use of IWM Plan <input type="checkbox"/> Time Extension Summary of Progress <input type="checkbox"/> Alternative Reduction Summary of Progress
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(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Reporting annually to the Board quantities of recyclable materials collected Eichler, Jeffrey                      Supervisor, EH & S Programs	\$49.06	2.0	\$ 98.12				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 98.12	\$ -	\$ -	\$ -	\$ -
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**FY 2010-11**  
**Integrated Waste Management Claim**

7/1/10 - 10/7/10

<b>INTEGRATED WASTE MANAGEMENT CLAIM FOR PAYMENT</b>		For State Controller Use only		<b>Program 256</b>
		(19) Program Number 00256		
		(20) Date FEB 06 2012		
		(21) LRS Input 2/14/12		
(01) Claimant Identification Number: CC 19090		Reimbursement Claim Data		
(02) Claimant Name Citrus Community College District		(22) FORM-1, (03)		
Address Los Angeles County		(23) FORM-1A, (04) A. 1. (f)		
1000 West Foothill Blvd.		(24) FORM-1A, (04) A. 2. (f)		
Glendora CA 91741-1899		(25) FORM-1A, (04) B. 1. (f)		
		(26) FORM-1A, (04) B. 2. (f)		
		(27) FORM-1A, (04) B. 3. (f)		
		(28) FORM-1A, (04) B. 4. (f)		
		(29) FORM-1A, (04) B. 5. (f) 10,576		
(06) Fiscal Year of Cost 7/1/10-10/7/10		(30) FORM-1A, (06) 47		
(07) Total Claimed Amount \$ 14,154		(31) FORM-1A, (09) 15,671		
Less: 10% Late Penalty (refer to claiming instructions) \$ -		(32) FORM-1A, (10)		
Less: Prior Claim Payment Received \$ -		(33) FORM-1A, (11) 1,517		
Net Claimed Amount \$ 14,154		(34)		
(08) Due from State \$ 14,154		(35)		
Due to State		(36)		
<p><b>(37) CERTIFICATION OF CLAIM</b></p> <p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the community college district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
<p>Signature of Authorized Officer (USE BLUE INK)</p> <p><i>Carol R. Horton</i></p> <p>Carol R. Horton, Vice President, Financial &amp; Administrative Services</p>				
		Date Signed 1/30/2012		
		Telephone Number (626) 914-8886		
		E-mail Address chorton@citruscollege.edu		
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number (626) 914-8886		
Carol R. Horton, Vice President, Financial & Administrative Services		E-mail Address chorton@citruscollege.edu		
Name of Consulting Firm/Claim Preparer		Telephone Number (858) 514-8605		
SixTen and Associates		E-mail Address kbpsixten@aol.com		

<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>	<b>FORM 1A</b>
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(01) Claimant: Citrus Community College District	(02)	Fiscal Year 7/1/10-10/7/10
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**Claim Statistics**

(03) Leave Blank

Direct Costs	Object Accounts					
	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
(04) Reimbursable Activities						
<b>A. One-Time Activity</b>						
1. Develop Policies and Procedures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Train District Staff on IWM Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Ongoing Activities</b>						
1. Complete and Submit IWM Plan to Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Respond to Board Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Consult with Board to Revise Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Designate Coordinator for Each College	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Divert Solid Waste/Maintain Required Level <small>(Form 1B cannot be used if this activity is claimed)</small>	\$ 10,575.54	\$ -	\$ -	\$ -	\$ -	\$ 10,575.54
<b>(05) Total Direct Costs</b>	<b>\$ 10,575.54</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,575.54</b>

**Indirect Costs**

(06) Indirect Cost Rate	<input type="checkbox"/> Federally approved rate OMB Circular A-21 <input checked="" type="checkbox"/> FAM-29C <input type="checkbox"/> Flat 7%	46.82%
(07) Total Indirect Costs	[Refer to Claiming Instructions]	\$ 4,951.47
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	\$ 15,527.01
(09) Total from Forms 1A, 1B, and 1C	[Add 1A(07) + 1B(07) + 1C(07)]	\$ 15,671.07

**Cost Reduction**

(10) Less: Offsetting Revenues	\$ -
(11) Less: Other Reimbursements	\$ 1,517.20
<b>(12) Total Claimed Amount:</b>	<b>\$ 14,153.87</b>

<b>Program</b> <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT CLAIM SUMMARY</b>					<b>FORM</b> <b>1C</b>	
(01) Claimant: Citrus Community College District				(02)		Fiscal Year 7/1/10-10/7/10	
<b>Direct Costs</b>		<b>Object Accounts</b>					
(03) Reimbursable Activities		(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f)  Total
<b>D. Accounting System</b>		<b>Reimbursement begins January 1, 2000</b>					
1. Develop, Implement & Maintain System		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>E. Annual Report of Progress</b>		<b>Reimbursement begins January 1, 2000</b>					
1. Calculations of Annual Disposal Reduction		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Information on the Changes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Summary of Progress Made in IWM Plan		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. The Extent of CCD's Use of IWM Plan		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Time Extension Summary of Progress		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Alternative Reduction Summary of Progress		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>F. Annual Recycled Material Reports</b>		<b>Reimbursement begins July 1, 1999</b>					
1. Annual Report to the Board		\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12
(04) Total Direct Costs		\$ 98.12	\$ -	\$ -	\$ -	\$ -	\$ 98.12
<b>Indirect Costs</b>							
(05) Indirect Cost Rate		<input type="checkbox"/> Federally approved rate OMB Circular A-21 <input checked="" type="checkbox"/> FAM-29C <input type="checkbox"/> Flat 7%				46.82%	
(06) Total Indirect Costs		[Refer to Claiming Instructions]				\$ 45.94	
(07) Total Direct and Indirect Costs		[Line (04)(f) + line (06)]		[Forward total to Form-1A, line (09)]		\$ 144.06	

Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM 2A</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year 7/1/10-10/7/10
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<b>A. One-Time Activity</b> <input type="checkbox"/> Develop Policies and Procedures <input type="checkbox"/> Train District Staff on IWM Plan	<b>B. Ongoing Activities</b> <input type="checkbox"/> Complete and Submit IWM Plan to Board <input type="checkbox"/> Respond to Board Requirements <input type="checkbox"/> Consult with Board to Revise Plan <input type="checkbox"/> Designate Coordinator for Each College <input checked="" type="checkbox"/> Divert Solid Waste/Maintain Required Level
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(04) Description of Expenses	Object Accounts						
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Diverting solid waste from landfill disposal or transformation facilities - recycling							
Custodial Staff Various	\$31.41	170.1	\$ 5,342.84				
Gee, Elizabeth EH&S Recycling Assist.	\$17.69	86.9	\$ 1,537.26				
Diverting solid waste from landfill disposal or transformation facilities - source reduction							
Gee, Elizabeth EH&S Recycling Assist.	\$17.69	133.8	\$ 2,366.92				
Diverting solid waste from landfill disposal or transformation facilities - special waste							
Gee, Elizabeth EH&S Recycling Assist.	\$17.69	75.1	\$ 1,328.52				
(05) Total <input checked="" type="checkbox"/>	Subtotal <input type="checkbox"/>		\$ 10,575.54	\$ -	\$ -	\$ -	\$ -

Program <b>256</b>	<b>INTEGRATED WASTE MANAGEMENT ACTIVITY COST DETAIL</b>	<b>FORM 2C</b>
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(01) Claimant Citrus Community College District	(02) Fiscal Year <span style="float: right;">7/1/10-10/7/10</span>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<p><b>D. Accounting System</b></p> <p><input type="checkbox"/> Develop, Implement &amp; Maintain System</p> <p><b>F. Annual Recycled Materials Reports</b></p> <p><input checked="" type="checkbox"/> Annual Report to the Board</p>	<p><b>E. Annual Report of Progress</b></p> <p><input type="checkbox"/> Calculations of Annual Disposal Reduction</p> <p><input type="checkbox"/> Information on the Changes</p> <p><input type="checkbox"/> Summary of Progress Made in IWM Plan</p> <p><input type="checkbox"/> The Extent of CCD's Use of IWM Plan</p> <p><input type="checkbox"/> Time Extension Summary of Progress</p> <p><input type="checkbox"/> Alternative Reduction Summary of Progress</p>
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(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
Reporting annually to the Board quantities of recyclable materials collected Elchler, Jeff                      EH&S Programs Supervisor	\$49.06	2.0	\$ 98.12				

(05) Total	<input checked="" type="checkbox"/>	Subtotal	<input type="checkbox"/>	Page 1 of 1	\$ 98.12	\$ -	\$ -	\$ -	\$ -
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JOHN CHIANG  
 California State Controller  
 Division of Accounting and Reporting  
 OCTOBER 4, 2013

CC19090  
 00256  
 2013/10/04

BOARD OF TRUSTEES  
 CITRUS COMM COLL DIST  
 LOS ANGELES COUNTY  
 1000 W FOOTHILL BLVD  
 GLENDORA CA 91740

DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT;1116/92-C

WE HAVE REVIEWED YOUR 1999/2000 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		12,792.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	5,133.00
TOTAL ADJUSTMENTS	-	<u>5,133.00</u>
AMOUNT DUE CLAIMANT		<u>\$ 7,659.00</u>

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION  
 P.O. BOX 942850 SACRAMENTO, CA 94250-5875



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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT;1116/92-C

WE HAVE REVIEWED YOUR 2000/2001 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		19,014.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	19,014.00
TOTAL ADJUSTMENTS	-	19,014.00
AMOUNT DUE CLAIMANT	\$	0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2003/2004 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		19,204.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	19,204.00
TOTAL ADJUSTMENTS	-	19,204.00
AMOUNT DUE CLAIMANT		\$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT,1116/92-C

WE HAVE REVIEWED YOUR 2004/2005 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 15,362.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 15,362.00

TOTAL ADJUSTMENTS - 15,362.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT,1116/92-C

WE HAVE REVIEWED YOUR 2005/2006 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED		56,814.00
ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	-	56,814.00
TOTAL ADJUSTMENTS	-	56,814.00
		-----
AMOUNT DUE CLAIMANT	\$	0.00
		=====

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2006/2007 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 84,237.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 84,237.00

TOTAL ADJUSTMENTS - 84,237.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2007/2008 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 60,573.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 60,573.00

TOTAL ADJUSTMENTS - 60,573.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2008/2009 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 57,617.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 57,617.00

TOTAL ADJUSTMENTS - 57,617.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT:1116/92-C

WE HAVE REVIEWED YOUR 2009/2010 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 39,012.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 39,012.00

TOTAL ADJUSTMENTS - 39,012.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

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DEAR CLAIMANT:

RE: INTEGRATED WASTE MGT;1116/92-C

WE HAVE REVIEWED YOUR 2010/2011 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 14,154.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 14,154.00

TOTAL ADJUSTMENTS - 14,154.00

AMOUNT DUE CLAIMANT \$ 0.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT DENNIS SPECIALE AT (916) 324-0254 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875.

SINCERELY,

JAY LAL, MANAGER