

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



June 7, 2018

CSSP LETTER: 18-05

ALL IV-D DIRECTORS
ALL LCSA POLICY COORDINATORS

SUBJECT: LCSA PURCHASE REQUEST PROCESS

<u>Reason for this Transmittal</u>
<input type="checkbox"/> State Law, Regulation and/or Change
<input type="checkbox"/> Federal Law, Regulation Change
<input type="checkbox"/> Court Order or Settlement Change
<input type="checkbox"/> Clarification requested by One or More Counties
<input checked="" type="checkbox"/> Initiated by DCSS

The purpose of this policy letter is to notify the local child support agencies (LCSAs) of a change in policy for reviewing, reporting, approval, and notification of administrative and information technology purchases.

CURRENT REQUIREMENTS

Currently, all capital expenditures incurred by LCSAs require prior approval via a purchase request for administrative items that cost more than a combined total of \$5,000 and specified Information Technology (IT) items, regardless of cost, as listed in the LCSA Administrative and Information Technology Request Form instructions.

NEW REQUIREMENTS

Fiscal Reporting

LCSA Directors and those designated to make purchases on their behalf are expected to be familiar with the requirements of the Authorities listed below. Purchases made by LCSAs must comply with these requirements.

LCSAs will submit an itemized listing of all items purchased at a cost equal to or exceeding \$5,000 to their LCSA fiscal administrative analyst quarterly. These purchases will be subject to review for compliance with the below listed authorities and federal purchasing guidelines outlined in Title 2 Code of Federal Regulations (CFR) Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Any purchase that does not align with federal and state cost requirements is unallowable and the LCSA will be required to return to the Department of Child Support Services (DCSS) the amount claimed for that purchase.

If an LCSA has any questions regarding the allowability of an item, they may contact their LCSA fiscal administrative analyst for guidance in advance of the purchase.

Superseded by LCSA Fiscal and Administrative Policy Manual

CSSP Letter: 18-05
June 7, 2018
Page 2

Notification/Approval

The following items require **approval** by DCSS *prior to* purchase to ensure adherence to information security and asset management requirements.

- The purchase of buildings, land, vehicles, and major renovations to buildings and land.
- Consulting services for, or development of, custom software development and program applications that contain and/or transmit child support data, and all software that directly interfaces with the Child Support Enforcement system.

The following items require **notification *at time of*** purchase to ensure adherence to information security requirements and to track IT assets as part of the program's overall IT inventory.

- Software licenses.
- IT equipment not deployed by DCSS such as desktops computers, laptops, servers, and switches.
 - Notification required prior to installation and/or activation
 - Minimum security requirements and enterprise architecture standards will be provided by DCSS upon request.

All notifications can be sent to your LCSA Fiscal Analyst at DCSSLCSAFiscal&AdminSupport@dcss.ca.gov.

AUTHORITY

- Title 2 Code of Federal Regulations §200.403(a), §200.317 through §200.324, and §200.439
- Title 45 CFR, Chapter III., Part 75 and Part 95
- Department of Child Support Services and State Local Child Support Agency, Annual Plan of Cooperation, Section V. LCSA Responsibilities, Items J. and K.
- Internal Revenue Service Publication 1075 Tax Information Security Guidelines for Federal State and Local Agencies, including Section 7.4
- California Statewide Administrative Manual Sections 4800-5900
- State Information Management Manual (SIMM)
- Department of Child Support Services Information Security Manual
- Other relevant federal, state information security authority and national standards

CSSP Letter: 18-05
June 7, 2018
Page 3

DEFINITIONS

Capital expenditures as defined in 2 CFR §200.13 are expenditures to acquire capital assets or expenditures that include, but not limited to, land, general purpose equipment, and buildings including additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Equipment as defined in 2 CFR §200.33, is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000. For additional information, see 2 CFR §200.12 Capital Assets, §200.20 Computing Devices, §200.48 General Purpose Equipment, §200.58 Information Technology Systems, §200.89 Special Purpose Equipment, and §200.94 Supplies.

If you have any questions regarding this matter, please contact your LCSA fiscal administrative analyst or Donna Kruger at (916) 464-5015.

Sincerely,

o/s

MICHAEL WILKENING
Acting Director
California Department of Child Support Services