

California School-Based SMAA Manual
SECTION 10
***Instructions for Preparing the SMAA Detail Invoice
and the SMAA Summary Invoice***

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Introduction

The instructions for the SMAA Detail Invoice, with supporting worksheets, and the SMAA Summary Invoice are to be used for the SMAA claiming process. The results of the SMAA Detail Invoice flow into the SMAA Summary Invoice, which is submitted along with the SMAA Detail Invoice. A sample SMAA Invoice is in Appendix B. The SMAA Detail Invoice includes the following documents:

Note: Only include costs for staff on the certified Roster Report (TSP list).

- Tab 1 – Total Moment Calculation
- Tab 2 – Activities and Medi-Cal Percentages Worksheet
- Tab 3 – Direct Charges Worksheet (Participant Pool 1)
- Tab 4 – Direct Charges Worksheet (Participant Pool 2)
- Tab 5 – Payroll Data Collection Worksheet
- Tab 6 – Cost and Revenues Worksheet (Participant Pool 1)
- Tab 7 – Cost and Revenues Worksheet (Participant Pool 2)
- Tab 8 – SMAA LEC Summary Invoice Page
- Tab 9 – LGA RMTS Summary Invoice Page
- Tab 10 – Averaging Quarter Worksheet (Participant Pool 1)
- Tab 11 – Averaging Quarter Worksheet (Participant Pool 2)

The SMAA Detail Invoice integrates the costs and the funding source elements that must be offset to derive the amount of FFP. The amount to be reimbursed is determined when the net costs are factored by the appropriate Medi-Cal eligibility rate and activity percentages determined from the time survey. Before preparing the invoice, review the following documents to ensure you are using the most current information:

- Policy and Procedure Letters (PPLs)
- Operational Plans
- Applicable SMAA Contracts
- The School-Based Medi-Cal Administration Activities (SMAA) Manual

Before submitting the SMAA Detail Invoice and the SMAA Summary Invoice, the operational plan must be completed and all required materials maintained in an audit file (see Section 7). The information entered on the SMAA Detail Invoice must be consistent with that found on the Roster Report(s) (TSP List) and Time Survey Summary Report. The SMAA Detail Invoice includes a total of five cost pools, which are:

1. Time Survey Cost Pool 1 (Participant Pool 1) Direct Service and Administrative Providers
2. Time Survey Cost Pool 2 (Participant Pool 2) Administrative Service Providers
3. Non-SMAA Cost Pool
4. Allocated Cost Pool
5. Direct Charge Cost Pool

The first three cost pools are identified on the Payroll Data Collection Worksheets and subsequently flows into the Costs and Revenues Worksheets and the fourth is identified on the Direct Charge Worksheet and also subsequently flows into the Costs and Revenues Worksheets. All costs for the claiming unit must be reported on these worksheets. A separate detail invoice must be developed and submitted for each Claiming Unit.

*Note: All personal services **and** subcontractor contracts must be noted in the Claiming Unit's operational plan, and the associated costs must be tracked separately if they are coded as a contract service.*

The specific Medi-Cal Eligibility Rate MER and the Time Survey Results Percentages are reported on the Activity Percentages and Medi-Cal Eligibility Rate Worksheet.

Data should only be entered where indicated by these instructions. Data should NEVER be entered in the shaded areas. Doing so will alter the spreadsheet and, therefore, incorrectly calculate the components of the claim, resulting in an erroneous amount of reimbursement. Data to be input is obtained from external sources, such as accounting system reports, ledgers, spreadsheets, journals, and payroll records. Only those costs and funding sources applicable to the claiming entity should be included. Once all the required data are entered, the spreadsheet will automatically calculate the amount of reimbursement.

When prompted to input data into cells of the SMAA Detail Invoice and the data for the claiming unit is zero, the claiming unit should enter "0".

All data entered on the invoice must include documented evidence linking it to the specified cost pool(s) or funding source designation and must be maintained in the audit file. For example, salaries and benefits assigned to staff by entry into either of the time survey cost (participant) pools should be evidenced by payroll documentation to show the expenditure of such salaries and benefits.

How To Enter Percentages

The worksheet cells in which a percentage must be entered are pre-formatted to display as a percent. Use the decimal form when entering percentages. For example:

- 35 percent should be entered as "35"
- 5.5 percent should be entered as "5.5"
- 100 percent should be entered as "100"
- 0.01 percent should be entered as "0.01"

Rounding

All numbers should be rounded to two decimal points. If the third decimal place is a "5" or higher, round up. Otherwise, round down. For example:

- 35.674 percent should be entered as "35.67"
- 12.075 percent should be entered as "12.08"
- 49.463 percent should be entered as "49.46"

Constructing Cost Pools

For each claimed period, all costs and funding sources of the claiming entity either must be assigned to one of the cost/funding pools or must be direct-charged. The claiming unit has the option of either including all costs and funding for a program or including only those costs and funding amounts for the unit performing SMAA. The second option is only permissible if the costs are in a separate budget unit and can be separately identified. An example might be claiming for school nurses who perform SMAA and whose costs are in a separate budget unit and can be separately identified.

Costs of certain functions, such as payroll, maintaining inventories, developing budgets, executive directions, etc., are overhead and are only allowable through the application of an indirect cost rate. Therefore, they **must not** be included in either the Time Survey Cost (Participant) Pools or the Direct Charge Cost Pool.

Time Survey Cost Pools

Claiming unit staff whose costs should be included in the Time Survey Cost (Participant) Pools consist of the following:

- Any percentage of the non-federally funded costs of staff included in the universe of RMTS participants. (For example, a TSP's salary and benefit costs are 70-percent federally funded and 30-percent funded by other state or local sources. For that TSP, only 30 percent of the salary and benefit costs may be included in the relevant Time Survey Cost Pool.)
- The non-federally funded costs of Personal Services Contractors who time-survey to determine SMAA costs because the contract language is nonspecific as to the SMAA to be performed.

Claiming unit staff whose salary and benefits are 100-percent funded by federal programs **must not be included** in the Time Survey Cost (Participant) Pools. Also, staff positions for which costs are included in the numerator of the Indirect Cost Rate (ICR) **must not be included** in the Time Survey Cost (Participant) Pools. This includes the costs of salaries and benefits coded to SACS Functions 7120, 7190, 7200-7600, 7700, 8100-8400 and 8700. The Time Survey Costs (Participant) are entered in the Payroll Data Collection Worksheet.

Direct Charge Cost Pool

The Direct Charge Cost pool includes the non-federally funded costs associated with staff that did NOT participate in the time survey, and are NOT included in any of the other cost pools. Direct charge costs are entered on the Direct Charge Worksheet and included in the claiming unit's Operational Plan. Typically, items to be direct-charged include those items for which the associated costs can be easily identified and tracked on an ongoing basis. Examples include:

- a. A subcontractor/Personal Services Contractor contract that specifically defines the SMAA activities to be performed and the costs associated with each of those activities.
- b. The costs associated with an employee who may perform only one of the SMAA allowable activities 100 percent of the time.
- c. The costs associated with an employee who may perform multiple allowable SMAA activities, each of which can be easily tracked and identified.
- d. The costs associated with SMAA Coordinators.

Claiming unit staff position/costs are included in the numerator of the ICR must NOT be included in the Direct Charge Cost Pool. This includes the costs of salaries and benefits coded to **SACS** Functions 7120, 7190, 7200-7600, 7700, 8100-8400 and 8700.

Non-SMAA Cost Pool

Includes the costs associated with staff that did not participate in the time survey, are not included in any other cost pool, and are not included in the Direct Charge Cost Pool. Non-SMAA costs are entered on the Payroll Data Collection Worksheet. Typically, this includes staff providing direct medical services and classroom instruction and staff that are included in the Claiming Unit's indirect cost rate calculation.

Allocated Cost Pool

Costs include school and general administrative staff in the claiming unit who did not time survey, whose costs are not direct charged, and by the nature of their work, support the staff in the other cost pools. These costs are entered in the Payroll Data Collection Worksheet.

Staff included in the Allocated Cost Pool may include management, secretarial, fiscal, supervisory and clerical staff not included in any other cost pools. Their costs will be allocated to each of the other three cost pools based on each cost pool's ratio of personnel costs to the total personnel costs of those three cost pools.

Invoice Information

The following section contains detailed instructions for completing the school-based SMAA Invoice. The invoice was created in an excel workbook and consists of eleven tabs. A separate SMAA invoice must be created and submitted for each claiming unit. Each tab (numbered 1 through 11) is labeled as follows:

- Tab 1 – Total Moment Calculation
- Tab 2 – Activities Percentage and Medi-Cal Eligibility Rate Worksheet
- Tab 3 – Direct Charges Worksheet (Participant Pool 1)
- Tab 4 – Direct Charges Worksheet (Participant Pool 2)
- Tab 5 – Payroll Data Collection Worksheet
- Tab 6 – Costs and Revenues Worksheet (Participant Pool 1)
- Tab 7 – Costs and Revenues Worksheet (Participant Pool 2)
- Tab 8 – LEC Summary Invoice Page
- Tab 9 – LGA Summary Invoice Page
- Tab 10 – Averaging Quarter Worksheet (Participant Pool 1)
- Tab 11 – Averaging Quarter Worksheet (Participant Pool 2)

See Appendix B for an example of the SMAA Invoice.

Total Moment Calculation (TAB 1)

This worksheet is a moment count summary and breaks down the number of moments sampled by code.

RMTS Invoice Information Box

Rows 1–9: Enter the required information in the unshaded areas.

Row 1: Claiming Unit Name and CDS Code

Note: The name of the Claiming Unit on the SMAA Detail Invoice and attachments must match the name on the SMAA Operational Plan/ Manual.

Row 2: DHCS Contractor (Region)

Row 3: LEC/LGA State Contract number

Row 4: Name of person preparing the form

Row 5: Title of person preparing the form

Row 6: Phone number of person preparing the form

Row 7: Date

Row 8: Contract year/quarter

Row 9: Time Survey Period

For Participant Pool 1:

- Enter 2761 for the Total Number of Moments Selected Randomly Prior to the Start of the Quarter.
- Enter the number of Total Invalid Moments. The Total Valid Moments and the Compliance Percentage will auto populate after steps 1 and 2 are complete.
- Enter the number of moments for each code. The code percentages will auto populate once all moments have been entered. Please be sure to check that the Total Moments count is equal to the Total Valid Moments count calculated in step 2.

For Participant Pool 2:

- Enter 2761 for the Total Number of Moments Selected Randomly Prior to the Start of the Quarter.
- Enter the number of Total Invalid Moments.
- (Note: The Total Valid Moments and the Compliance Percentage will auto populate after steps 1 and 2 are complete).
- Enter the number of moments for each code. The code percentages will auto populate once all moments have been entered. Please be sure to check that the Total Moments count is equal to the Total Valid Moments count calculated in step 2.

Activities and Medi-Cal Eligibility Rate Worksheet (TAB 2)

Column C, Row 13: Enter the Medi-Cal Eligibility Rate (MER).

The MER represents a ratio of Medi-Cal students to total students in the claiming unit. The approved method to calculate the discount percentage is the Actual Client Count (ACC), which the claiming unit must obtain from DHCS in the form of a Data Match that provides the actual count of Medi-Cal students for a particular claiming unit. The claiming unit must determine this percentage at least twice per year, once in each the 1st and 3rd quarters OR once in each the 2nd and 4th quarters; this percentage must be reflected in the invoices for those quarters.

(Note: All claiming units that obtain the Medi-Cal Eligibility Rate on a monthly basis should average the MERs within their respective quarters. However, the MER used in the invoice must only be calculated twice per year, either in the 1st and 3rd quarters or the 2nd and 4th quarters.

See Section 9 and Appendix C of this manual for additional information on determining a Claiming Unit's Medi-Cal Eligibility Rate.

- Row 27:** Column D - Enter the number of Participant Pool 1 TSPs participating in the time survey period.
- Row 27:** Column E - Enter the number of Participant Pool 2 TSPs participating in the time survey period.
- Row 28:** Column I - Enter the Claiming Unit's State Approved Indirect Cost Rate for the fiscal year covering the current time survey period.

Direct Charges Worksheet (TAB 3: Pool 1, & TAB 4: Pool 2)

Allowable costs for time and resources related to SMAA are determined through either RMTS or separately identified and direct-charged. The purpose of the Direct Charge Worksheet is to capture costs determined through methodologies other than RMTS.

Unlike the costs captured through RMTS, costs to be direct-charged must be tracked on an on-going basis throughout the fiscal year. These costs are separately itemized on the Direct Charge Worksheet and included in the audit file maintained by the claiming unit.

Clerical and supervisory support staff may only be included if they either direct charge or time survey. All participants who direct charge must be included on the Roster Report and identified as direct charge participants.

Seven cost categories of activities may be direct-charged. The type of activity determines whether the Medi-Cal Discount Percentage applies.

The seven activities, and whether the Medi-Cal Discount Percentage applies, are as follows:

Non-discounted Direct Charge Activities

1. Medi-Cal Outreach – Code 4 (Row 29 a-d).

Direct charging is allowed for Medi-Cal outreach when performing activities that inform eligible, or potentially eligible, Medi-Cal individuals about Medi-Cal and how to access the program. Examples include, but are not limited to, informing individuals about the Medi-Cal program, developing materials to inform individuals about the Medi-Cal program and how and where to obtain those benefits, or distributing literature about the Medi-Cal program.

2. Facilitating the Medi-Cal Application – Code 6 (Row 30 a-d).

Direct charging is permitted for this activity when helping an individual to become eligible for the Medi-Cal program. This includes, among other things, related paperwork, clerical activities, training, and travel required to accomplish this end.

3. Medi-Cal Claims Administration, Coordination, and Training only by claiming unit, LEC and LGA – Code 15 (Row 31 a-d).

Direct charging is permitted for the costs of staff performing Medi-Cal Administration, Coordination, and Claims Administration. This includes the time that SMAA claiming unit coordinators and LEC/LGA coordinators spend in training,

conferences, or meetings related to the SMAA program. In addition, this category includes administration, such as overseeing, compiling, revising and submitting claims and operational plans; and coordination related to the SMAA program. Similarly, all related paperwork, clerical duties and necessary staff travel is included.

Discounted Direct Charge Activities

4. Referral, Coordination, and Monitoring of Medi-Cal Covered Services – Code 8 (Row 32 a-d).

(Must be corrected when correction is made to the Direct Charges Worksheet). Direct charging should be used to report costs for staff that make referrals for the delivery of Medi-Cal services and who coordinate and monitor the delivery of those services. Related paperwork, clerical activities, and staff travel to perform these activities are also included.

5. Arranging Transportation in Support of Medi-Cal Covered Services – Code 10 (Row 33 a-d).

(Must be corrected when correction is made to the Direct Charges Worksheet). The actual cost of arranging for Medi-Cal Non-Emergency Non- Medical transportation may be direct-charged. These costs include bus tokens, taxi fares, mileage, etc. Costs reimbursed cover the administrative activities involved in scheduling or arranging specialized transportation. Related paperwork, clerical activities, and staff travel to perform these activities are also included.

6. Translation Related to Medi-Cal Services – Code 12 (Row 34 a-d).

(Must be corrected when correction is made to the Direct Charges Worksheet). Direct charging is allowed for translation-related Medi-Cal services when arranging or providing for translation services to help individuals access and understand treatment and plans of care covered by the Medi-Cal program. Translation services must be provided by or arranged with an individual specifically performing translation functions for the school and the translation services must facilitate access to Medi- Cal covered services. Related paperwork, clerical activities, and staff travel to perform these activities are also included.

7. Medi-Cal Program Planning, Policy Development, and Inter-agency Coordination – Code 14 (Row 35 a-d).

(Must be corrected when correction is made to the Direct Charges Worksheet). The claiming unit should direct-charge the costs of staff that perform Program Planning and Policy Development 100 percent of their paid time. If performed less than 100 percent, the costs must be determined through the time survey. This activity would include staff time when performing duties associated with the development of strategies to improve the coordination and delivery of medical, dental, and mental health services to school-aged children and when performing

collaborative activities with other agencies or providers. Related paperwork, clerical activities, and staff travel to perform these activities are also included.

Direct charges for each of the activities above may consist of the following types of costs:

- **Staff Salary.** For the billing period, 100 percent non-federally funded costs of the staff member's salary costs must be identified, as well as the percent of time (Medi-Cal Certified Time Factor) spent on the particular SMAA activity.
- **Staff Benefits.** For the billing period, 100 percent non-federally funded costs of the staff member's benefits must be identified, as well as the percent of time (Medi-Cal Certified Time Factor) spent on the particular SMAA activity.
- **Personal Services Contracts.** If the contract specifically defines the SMAA activity to be performed and the cost for each SMAA activity, the cost for that contract should be direct-charged. Otherwise, the contractor should time survey.
- **Other Costs.** The normal day-to-day and monthly operating expenses of the claiming unit that are easily identifiable and tracked on an ongoing basis. Examples include, but are not limited to, items such as supplies, utilities, travel, transportation, training, or printing costs.

When determining which costs are to be direct-charged, remember that those costs cannot appear anywhere else on the SMAA Detail Invoice as this would result in duplicate claiming. In addition, direct charge costs must be identified in the claiming unit's operational plan; otherwise, it may not be direct-charged. Also, staff positions for which costs are included in the numerator of the Indirect Cost Rate (ICR) must not be included in the Direct Charge worksheets. This includes the costs of salaries and benefits coded to SACS Functions 7120, 7190, 7200-7600, 7700, 8100-8400 and 8700. The time survey costs (Participant) are entered in the Payroll Data Collection Worksheet.

Entering Costs in the Direct Charges Worksheet

All costs to be direct-charged are entered on this worksheet. Data from this worksheet automatically transfers to the Direct Charge Cost Pool on the Costs and Revenues Worksheet. Tab 3 is for Participant Pool 1 costs only and Tab 4 is for Participant Pool 2 costs only.

Enter costs in the unshaded cells in the appropriate cost column. Separate columns have been provided to record the costs of salaries, benefits, personal services contracts, and other costs as described earlier in this section.

The Medi-Cal Discount Percentage will be automatically applied to the appropriate costs entered on this worksheet based on the activity for which the costs apply.

Personnel Costs

- **Column A:** List the description (job classification) of each staff member for whom salary and benefits will be direct-charged under the appropriate SMAA

activity as defined in the Roster Report(s). For example, enter the description of the staff member to be direct-charged for a performing Medi-Cal Outreach in Row 29a and a staff member to be direct-charged for facilitating the Medi-Cal application should be entered in Row 30a. Also provide a description of each personal service contract charge in this column under the appropriate activity.

- **Column B:** Enter the total gross salary of each staff member for the billing period.
- **Column C:** Enter the Medi-Cal Certified Time Factor for each staff member. The Medi-Cal Certified Time Factor represents the actual amount of time spent by the staff member on the particular activity. The Medi-Cal Certified Time Factor entered for Salary costs will automatically be entered for the corresponding Benefit costs of the staff member.
- **Column G:** Enter the total Gross Benefits of each staff member for the billing period.

Note: The claimable and nonclaimable portion of Salary and Benefit costs will be automatically calculated based on the Medi-Cal Certified Time Factor and the Medi-Cal Discount Percentage where appropriate based on the SMAA activity charged.

Personal Service Contracts

- **Column L:** Enter the costs of personal service contracts to be direct-charged for the billing period in the row corresponding to its description under the appropriate SMAA activity. Claimable and Non-Claimable costs will be calculated automatically based on the Medi-Cal Discount Percentage where appropriate, based on the SMAA activity charged.

Other Costs

- **Column P:** Enter the Other Costs to be direct charged for the billing period in the row corresponding to its description under the appropriate SMAA activity. The invoice automatically calculates Claimable and Non-Claimable costs based on the Medi-Cal Discount Percentage where appropriate, based on the SMAA activity charged.

Payroll Data Collection Worksheet (TAB 5)

The Federal Government requires that actual expenses be reported and may not be based on estimates or encumbrances. Expenses claimed in an invoice must be recognized in a manner consistent with the expense recognition method used in an LEA's general ledger.

Identifying total costs for a billing period will require the claiming unit to use and rely on its financial information system and the uniformity of the State's standardized account code structure (SACS) or Budget and Accounting Manual (BAM). The SACS and BAM coding structures will allow the claiming unit's costs to be separated into each of the four cost pools utilizing the four-digit SACS Function code as follows:

Salary and Benefit costs are separated by Participant Pool 1 (Columns A, C, & E) and Participant Pool 2 (Columns B, D, & F). Participant Pool 1 and Participant Pool 2 costs must not be duplicated.

1. Determining Total Salary Costs

- a. Produce an expenditure report of the claiming unit's salary costs (Objects 1000–2999) for the billing period using only Function codes 1000–2699, 2800-6999 and 7200-9999, and excluding Federal series of SACS Resources 3000-5639 and 5650-5999. Enter the total in Row 43, Column A for Participant Pool 1. The amount entered will automatically populate into Row 43, Column B for Participant Pool 2. This combination of Object and Function codes will provide the amount of gross non-claimable salary expenditures for the billing period that belong to the Non-SMAA Cost Pool before determining which portion pertains to the Time Survey Cost (Participant) Pool and the Direct Charge Cost Pool.
- b. Produce an expenditure report of the claiming unit's salary costs (Objects 1000–2999) for the billing period using only SACS Function codes 2700-2799, 7000-7119, and 7130-7189 and excluding Federal series of SACS Resources 3000-5639 and 5650-5999. Enter the total in Row 48, Column A for Participant Pool
 1. The amount entered will automatically populate into Row 48, Column B for Participant Pool 2. This combination of Object and Function codes will provide the amount of gross school and general administrative salary expenditures that belong to the Allocated Cost Pool before determining which portion pertains to the Time Survey Cost (Participant) Pools and the Direct Charge Cost Pool.
- c. Identify salary costs of the claiming unit's employees included in the approved participant universe, excluding Federal series of SACS Resources 3000-5639 and 5650-5999. Once these costs are identified, determine which portion of these costs are coded with SACS Function codes 1000-2699, 2800-6999 and 7200-9999. Enter the result for the Non-Administrative salaries in Row 44, Column A for Participant Pool 1 and in Row 45, Column B for Participant Pool 2. The balance of the salary costs for employees in the School Administration and General Administration participant universe represents SACS Function codes 2700-2799, 7000-7119, and 7130-7189, and should be entered in Row 49, Column A for Participant Pool 1 and Row 50, Column B for Participant Pool 2.
- d. Identify the claiming unit's salary costs to be direct-charged. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–2699, 2800-6999 and 7200-9999, excluding Federal series of SACS Resources 3000-5639 and 5650-5999. Enter the result in Row 46, Column A for Participant Pool 1 and Row 46, Column B for Participant Pool 2. The balance of the direct charge salary costs represents SACS Function codes 2700-2799, 7000-7119, and 7130-7189, and should be entered in Row 51, Column A for Participant Pool 1 and Row 51, Column B for Participant Pool 2.

2. Determining Total Benefit Costs

- a. Produce an expenditure report of the claiming unit's benefit costs (Objects 3000–3999) for the billing period using only SACS Function codes 1000–2699, 2800-6999, and 7200-9999. Exclude Federal series of SACS Resources 3000-5639 and 5650-5999. Enter the total in Row 43, Column C for Participant Pool 1 and the amount entered will automatically populate into Row 43, Column D for Participant Pool 2. This combination of Object and Function codes will provide the amount of gross non-claimable benefit expenditures for the billing period that belong to the Non-SMAA Cost Pool before determining which portion pertain to the Time Survey Cost (Participant) Pools and the Direct Charge Cost Pool.

- b. Produce an expenditure report of the claiming unit's benefit costs (Objects 3000–3999) for the billing period using only SACS Function codes 2700-2799, 7000–7119, and 7130-7189, excluding Federal series of SACS Resources 3000-5639 and 5650-5999. Enter the total in Row 48, Column C for Participant Pool 1 and the amount entered will automatically populate into Row 48, Column D for Participant Pool 2. This combination of Object and Function codes will provide the amount of gross school administration and general administration benefit expenditures that belong to the Allocated Cost Pool before determining which portion pertains to the Time Survey Cost (Participant) Pools and the Direct Charge Cost Pool.

- c. Identify benefit costs of the claiming unit's employees included in the participant universe, excluding Federal series of SACS Resources 3000-5639 and 5650-5999. Once these costs are identified, determine which portion of these costs are coded with SACS Function codes 1000-2699, 2800-6999, and 7200-9999. Enter the result in Row 44, Column C for Participant Pool 1 and Row 45, Column D for Participant Pool 2. The balance of the benefit costs for those participating in the participant universe represents SACS Function codes 2700-2799, 7000-7119 and 7130-7189 and should be entered in Row 49, Column C for Participant Pool 1 and Row 50, Column D for Participant Pool 2.

- d. Identify the claiming unit's benefit costs to be direct-charged. Once these costs are identified, determine which portion of these costs are coded with Function codes 1000–2699, 2800-6999 and 7200-9999, excluding Federal series of SACS Resources 3000-5639 and 5650-5999. Enter the result in Row 46, Column C for Participant Pool 1 and Row 46, Column D for Participant Pool 2. The balance of the direct charge salary costs represents SACS Function codes 2700-2799, 7000-7119, and 7130-7189, and should be entered in Row 51, Column C for Participant Pool 1 and Row 51, Column D for Participant Pool 2.

When the above costs have been entered as indicated on the Payroll Data Collection Worksheet, the appropriate costs will be automatically calculated and transferred to the corresponding cost pool on the Costs and Revenues Worksheet.

In addition, all accounting reports, fiscal reports, spreadsheets, and other schedules used to complete the Payroll Data Collection Worksheet should be retained in the audit file.

Note: The above salary and benefit expenditures should represent costs across all Funds of the Claiming Unit (e.g., general fund, adult education fund, child development fund, etc.). Any expenditures existing in any of the Claiming Unit's Funds considered "not-claimable" under the SMAA program will be appropriately filtered utilizing the appropriate SACS Function code where indicated in this manual.

A summary copy of the claiming unit's general ledger supporting the amount entered in Tab 5, Row 43, Columns A-D, and Row 48, Columns A-D, must be submitted with the SMAA Detail Invoice and SMAA Summary Invoice. Invoices submitted without this documentation will not be processed or paid by DHCS.

Cost and Revenues Worksheet (TAB 6: Pool 1, & TAB 7: Pool 2)

The Cost and Revenues Worksheet is separated by Participant Pool 1 (Tab 6) and Participant Pool 2 (Tab 7). Participant Pool 1 and Participant Pool 2 costs should not be duplicated.

Personnel Costs

Rows 53-55 (Tab 6), Rows 75-77 (Tab 7):

These rows automatically calculate the claiming unit's total personnel costs based upon cost information entered on the Direct Charge Worksheet and the Payroll Data Collection Worksheet. Do not enter data into these rows.

Revenue Offsets

The purpose of offsetting revenue or funding against cost is to ensure that the Federal Government participates in its share of the costs only once. Failure to offset federal revenues and state/local matches of federal programs against the costs incurred would result in these costs also being applied to the claim for FFP. The claiming agency would be participating in less than its share by supplanting its share of costs with the federal or other unallowable revenue.

In general, funds that do not require offset include claiming unit general funds, other local public funds, and SMAA reimbursements. The following rules govern which revenues received by a program must be offset against costs before a federal match is determined.

1. **Federal Revenues.** All federally funded costs shall be offset against claimed costs. Including these amounts in the costs claimed for reimbursement will cause the Federal Government to not only fund these costs, but to also pay the Medi-Cal percentage on those amounts, and therefore pay for the same costs twice, which is prohibited by 2 CFR Part 200 et seq. - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards.
2. **Matching Revenues.** Claimed costs funded by state/local matching funds required by a federal grant must be offset. Title 2 CFR Part 200 et seq. - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards stipulates that a cost used to meet a matching or cost-sharing requirement of one federal grant may not also be included as a cost against any other federal grant. State/local match funds become federal monies, carry the same restrictions as the federal funds, and must be identified accordingly.

3. Previously Matched Revenues. All costs funded by State General Fund monies previously matched by the Federal Government must be offset because the Federal Government has already funded these costs. This includes Medi-Cal fee-for-service money. Similar to item 2.
4. Private Health Insurance. Insurance collected from nongovernmental (private health insurance) sources for the delivery of direct client services may not be used as the local share of a federal match for administrative activities. These funds must be offset if the related expenses are included in the SMAA invoice.

Essentially, revenue offsets are costs funded by one of the above revenue sources that may not be claimed for reimbursement from the Federal Government because the Federal Government has already directly or indirectly funded those costs. Therefore, these costs must be removed to avoid billing the Federal Government twice for the same cost.

Row 56 (Tab 6), Row 78 (Tab 7):

Enter the amount of federally funded costs included in the Direct Charge cost pool (Column G&I) identified in the Personnel Cost section. Be careful to offset costs only to the extent that the personnel costs included in the “claimable” column of the Direct Charge cost pool are funded through federal sources. Enter the balance of federal revenues in Column H (Tab 6) the amount entered will automatically populate into Row 87 Column N (Tab 7) as non-offset revenue.

*Note: Because local matching funds are usually combined and recorded with federal funds, typically only Row 56 (Tab 6) and Row 78 (Tab 7) **must be** entered as “offset revenue”.*

Row 58 (Tab 6), Row 80 (Tab 7):

Enter the amount of Other State Revenue funded costs included in the Direct Charge cost pool (Column G&I) identified in the Personnel Cost Section that must be offset. Generally, this includes the State match portion of federally funded programs. Be careful to offset costs only to the extent that personnel costs included in the “claimable” column of the Direct Charge cost pool are funded by Other State Revenue sources required to be offset. Enter the balance of Other State Revenue in Column L as non- offset revenue.

Rows 56-61(Tab 6), Rows 78-83 (Tab 7):

Enter the total amount of all other revenues for each row that are not to be offset, in Column L The amounts entered will automatically populate into Rows 78-83, Column L (Tab 7). All revenues must be identified whether or not they are to be offset. (For more information on Funding Sources [Revenue], claiming unit should refer to the PPLs issued under a separate cover.)

Row 64 (Tab 6), Row 86 (Tab 7):

This row automatically calculates percentages used to allocate Other Costs and costs included in the Allocated Cost Pool across the Time Survey, Direct Charge, and Non- SMAA cost pools based on their percentage of personnel costs to total personnel costs of the three cost pools. The costs are allocated in Rows 65 & 66 (Tab 6) Rows 87 & 88

(Tab 7). The Allocated Cost Pool is not considered in this calculation because total costs in the Allocated Cost Pool are subsequently allocated to the remaining cost pools based on the same percentage.

Other Costs and Allocations

Row 65 (Tab 6), Row 87 (Tab 7):

Enter the costs for nonspecific personal service contracts (PSC) that participate in the time survey and are not direct charge contracts in Row 65, Column A (Tab 6) & Row 87, Column A (Tab 7).

Nonspecific contracts are those contracts that do not specifically define the SMAA activity to be performed or the cost for each SMAA activity.

Specific contracts are those contracts that do specifically define the SMAA activity to be performed and the cost for each SMAA activity. The costs for these contracts should be direct-charged on the Direct Charge Worksheet. For example, this may include a contract to provide a specific SMAA service, such as creating and distributing Medi-Cal literature or advertising for Outreach services for a specific cost.

Identify the amount of the Personal Service Contract costs in Row 63, Columns D-J (Tab 6) and Row 85 Columns D-J (Tab 7) that are also included in the Other Costs determined at Row 65, Column N, and Row 87 Column N (Tab 7). Enter the result in Row 65, Column M (Tab 6) and Row 87, Column M (Tab 7).

Row 66 (Tab 6), Row 88 (Tab 7):

Identify the amount of the Direct Charge Other Costs in Row 66, Columns G-J (Tab 6) and Row 88, Column G-J (Tab 7) that are also included in the Other Costs determined at Row 65, Column N (Tab 6), and Row 87 Column N (Tab 7). Enter the result in Row 66, Column M (Tab 6) and Row 88, Column M (Tab 7).

Row 65 (Tab 6), Row 87 (Tab 7):

Using the claiming unit's financial information system, produce an expenditure report for Objects 4000–5999, SACS Functions 2700-2799 7000–7119 and 7130-7189 (Other General Administration), and excluding the Federal series of SACS Resource codes 3000–5999 and other costs coded to functions 7120, 7190, 7200-7600, 7700, 8100-8400, and 8700 across all Funds of the Claiming Unit (e.g., general fund, adult education fund, child development fund, etc.) for the billing period and enter the result in Row 65, Column N (Tab 6), the amount entered will automatically populate into Row 87, Column N (Tab 7). The result represents the claiming unit's net claimable Other Costs, excluding federally funded costs, which may be allocated across the Time Survey, Direct Charge, and Non-SMAA cost pools. Not including federally funded costs in this total ensures that the Federal government participates in only its share of program costs.

After analyzing the costs identified in the expenditure report above, enter any other unallowable costs noted by the claiming unit in Row 66, Column N (Tab 6) and Row 88, Column N (Tab 7) that is included in the amount at Row 65, Column, Column N (Tab 6) and Row 88, Column N (Tab 7). Claiming unit Note: The expenditure report should be analyzed to ensure that the costs identified in this expenditure report are not duplicated in

any other cost pools, such as, direct charge costs for Personal Service Contracts (PSC) or any unallowable costs.

Row 59, Column J may also be used to add allowable costs that may not be maintained in a claiming unit's financial system. For example, 2 CFR Part 200 et seq. **does not** allow reimbursement for capital expenditures (i.e. equipment or buildings, land is not allowable because it is not depreciated) which are coded to SACS Objects 6700-6999. Fortunately, 2 CFR Part 200 et seq. does provide that reimbursement of capital expenditures is permitted through the application of depreciation. For SMAA purposes, the SACS Function and Resource coding for the depreciation expense, which in almost all cases is tracked using an off-system method, must match the coding required for Other Costs entered at Row 65, Column N (Tab 6), and Row 87 Column N (Tab 7). If this option is utilized, the amount entered for depreciation expense at Row 66, Column N (Tab 6) and Row 87 Column N (Tab 7)., should be entered as a negative amount to cause an increase at Row 65, Column N (Tab 6) and Row 87 Column N (Tab 7).

Total Other Costs will first be reduced by the total Personal Service Contract costs entered in Row 65, Column M (Tab 6) and Row 87, Column M (Tab 7), and Direct Charge Other Costs in Row 66, Column M (Tab 6) and Row 88, Column M (Tab 7), to avoid duplicate billing of costs because the Claiming Unit has determined these costs to be a component of the claiming unit's Other Costs in Row 65, Column N (Tab 6) and Row 87 Column N (Tab 7) through an analysis of these costs. The invoice will automatically allocate the remaining costs across the Time Survey, Direct Charge, and Non-SMAA cost pools based on their percentage of personnel costs to total personnel costs of the three cost pools. Row 64(Tab 6) and Row 86 (Tab 7) calculates these percentages and the allocation is calculated across Row 67(Tab 6) and Row 89 (Tab 7). The Allocated Cost Pool is not considered in this allocation because total costs in the Allocated Cost Pool are subsequently allocated to the remaining cost pools based on the same percentage. Generally, Other Costs include the normal day-to-day and monthly operating expenses necessary to run the claiming unit.

Row 68 (Tab 6), Row 90 (Tab 7):

This row calculates the allocation of School and General Administrative costs in the Allocated Cost Pool based on the percentages calculated in Row 64(Tab 6) and Row 86 (Tab 7).

Row 69 (Tab 6), Row 91 (Tab 7):

This row calculates subtotal of costs before applying the claiming unit's indirect cost rate.

Row 70 (Tab 6), Row 92 (Tab 7):

This row calculates the costs of applying the Claiming Unit's indirect cost rate to the sub-total in Row 69(Tab 6) and Row 91 (Tab 7).

Row 71 (Tab 6), Row 93 (Tab 7):

This row calculates the totals for each column.

A summary copy of the claiming unit's general ledger supporting the amount entered in Row 65, Column N (Tab 6) and Row 87, Column N (Tab 7) must be submitted with the SMAA Detail and SMAA Summary Invoice. Invoices submitted without this documentation will not be processed or paid by DHCS.

*FFP Calculations***Rows 72-74 (Tab 6), Rows 94-96 (Tab 7):**

Do not enter data in these rows. These rows calculate the FFP based upon data entered on this worksheet and each of the previous three worksheets.

Row 72 (Tab 6), Row 94 (Tab 7):

These amounts represent the claimable portion of the Time Survey and Direct Charge costs (Columns C and E).

Row 73 (Tab 6), Row 95 (Tab 7):

This row applies the Medi-Cal Federal Financial Participation percentage (50%) to the claimable costs (Claimable Costs X FFP Percentage) to arrive at the federal share of costs for each cost pool.

Rows 74 (Tab 6), Row 96 (Tab 7):

Adds Columns D, E, G & If Row 73 (Tab 6) and Row 95 (Tab 7) to arrive at the "Total Federal Share" of the SMAA costs for the billing period. The Invoice automatically transfers this amount to the SMAA Summary Invoice for billing.

Claiming for Subcontractors

The costs for subcontractors providing SMAA-related services should be billed in a manner similar to personal services contracts and included in the invoice for the claiming unit as follows:

Specific Contracts

If the contract is "specific," meaning that the contract specifically defines the SMAA to be performed and the cost for each activity, the costs should be direct-charged and entered in the Direct Charges Worksheet (Tab 3) or tab 4 for cost pool 2 under the "Personal Services Contracts" column (Column L) on the row corresponding to the appropriate activity.

Non-Specific Contracts

If the contract is "nonspecific," meaning that the contract does not specifically define the SMAA activities to be performed and the cost for each allowable activity, the contractor's staff must time survey and include those costs in the Time Survey Cost Pool in Row 65 (Tab 6) participant pool 1 and Row 87 (Tab 7) participant pool 2, Column A of the Costs and Revenues Worksheet.

SMAA Summary Invoice Worksheet (TAB 8: LEC and TAB 9: LGA)

It is the responsibility of the LEC/LGA and claiming unit SMAA Coordinators to review all invoices for completeness and accuracy prior to submitting them to DHCS. LEA MAA Coordinators are the first line reviewers and must certify the invoice for accuracy. Invoices submitted using an incorrect format will be returned without being reviewed. To expedite the review and payment process, it is necessary to follow all the instructions. The following items must be included:

- SMAA Summary Invoice
- Activities and Medi-Cal Percentages Worksheet
- Time Survey Summary Report – not necessary if only direct charging
- Direct Charges Worksheet
- Payroll Data Collection Worksheet
- Payroll Data Collection & Other Summary Sheet (Maintain actual staff ledger reports for audit purposes)
- Costs and Revenues Worksheet
- Supporting Documentation
- Roster Report(s)

The original SMAA Summary Invoice, SMAA Detail Invoice, Roster Report(s), documentation supporting the time survey results, and the summary general ledger reports must be submitted to DHCS for each quarter billed. Claiming units must submit invoices to the appropriate LEC/LGA.

Payment Process

SMAA claims are submitted to DHCS, Medi-Cal Administrative Claiming Services. The invoices are reviewed for fiscal integrity and compared to the Roster Report(s). Once the invoice is accepted, reviewed and approved by DHCS, the invoice will be forwarded to the Accounting Office for payment processing. The Accounting Office will prepare the invoices for payment and forward them to the State Controller's Office (SCO) for payment. Warrants are made payable to the LEC/LGA Treasurer.

All LEC/LGA invoices must be submitted to DHCS within 15 months of the end of the quarter claimed.

Invoices submitted after these dates **may** not be paid. Many claiming units wait until the last moment to submit claims, creating a peak workload demand that can delay review and payment of invoices that have been submitted timely to DHCS.

If the LEC or LGA anticipates a delay in submitting invoices by the above due dates, the LEC/LGA Coordinator must sign and submit a "Late Invoice Submission Request" at claiming unit two weeks before the due date. This form can be found at <http://www.dhcs.ca.gov/provgovpart/Pages/SMAAInvoices.aspx>.

Appendix E provides a sample request. If an invoice is denied, a LEC/LGA can request reconsideration of the DHCS decision to deny an invoice. The request must be filed in writing and within 30 days after the receipt of the written notice of denial. The review process is limited to a programmatic or accounting reconsideration based upon additional supporting documentation requested by and submitted to DHCS. Revisions to previously paid invoices must follow DHCS guidelines.

Correction and/or Additional Information

DHCS adopted a Three-Step Review Policy for requesting corrections and/or additional information to support time surveys, invoices, contracts and documentation in support of their operational plans. SMAA invoices will no longer be held indefinitely while waiting for the essential corrections or backup information from the LEC/LGA SMAA Coordinators).

Step 1: The SMAA analysts will review time surveys, invoices, contracts, and operational plan supporting documents for each respective claiming unit, and shall notify the LEC/LGA SMAA Coordinator by e-mail if corrections and/or additional information are necessary. The analyst shall request that the corrections and/or additional information from the LEC/LGA SMAA Coordinator be sent within five (5) business days from the date of the e-mail message.

Step 2: If the LEC/LGA SMAA Coordinator does not respond within five (5) business days or sends incomplete information, the SMAA analyst shall notify the LEC/LGA SMAA Coordinator a second time both by e-mail and telephone, and the co-chairs and/ or their designee will be cc'd. An additional five (5) business days will be given for a response.

Step 3: If the LEC/LGA SMAA Coordinator does not respond or sends incomplete information by the end of the second five (5) business days, the SMAA analyst shall return the related invoice package and/or contract. The SMAA invoice will be denied as it is not adequately documented to be eligible for federal reimbursement.

Unforeseen exceptions or delays will be reviewed on a case by case basis and must be approved by DHCS management. DHCS will only receive these exception requests from the LGA or LEC SMAA Coordinators. An e-mail explaining the situation must be sent to the DHCS SMAA analyst, the SMAA Unit Manager, and the Section Manager.

Examples of costs that are not claimable as Medi-Cal administration:

- Activities that are an integral part or extension of direct medical services, such as patient assessment, education, or counseling. In addition, the cost of any consultations between medical professionals is already reflected in the direct medical services payment rate for medical assistance services and may not be claimed separately as an administrative cost. However, the time spent by the student's designated IEP case manager in coordinating and monitoring consultations between professionals may be allowable SMAA time under activity Code 8 (Referral, Coordination, and Monitoring of Medi-Cal Covered Services).
- Overhead costs of operating a provider facility.
- An activity that has been, or will be, paid as a medical assistance service (or as a service of another non-Medi-Cal program) shall not be paid again as a Medi-Cal administrative cost.
- An activity that has been, or will be, paid as a Medi-Cal administrative cost shall not be claimed again.
- An activity that is included as part of a managed care rate and is reimbursed by the managed care organization, shall not be claimed as Medi-Cal administration or through a fee-for-service payment rate.
- Cost of elected officials.

SMAA providers must distinguish between duplicate payments for the same activity and the inefficient use of resources, which may result in the unnecessary duplication of an activity. Duplication of services or administrative activities can be avoided by coordinating activities and staff. If the same Medi-Cal eligible child received IEP services from both a school and a medical care organization (MCO), there must be a concerted effort to ensure that Medi-Cal is not paying for the same services twice, once to the MCO and again to the school.

Submitting Corrections and Revisions

Corrections: All invoices submitted for payment are reviewed by DHCS staff. If errors are found or additional documentation is required, please refer to the above three- step process for corrections.

When the LEC/LGA corrects and returns the rejected invoice, it must identify the resubmitted invoice as a Corrected Invoice. The corrected invoice must be identified as a "Correct Invoice" in the transmittal letter and also in the invoice number. The invoice number should reflect the correction by adding a C-1 to the invoice number. If subsequent corrections are required, the invoice number will reflect the number of corrections (C-2), etc. For instance, the invoice number for first corrected invoice of the second quarter of fiscal year 2014/15 should read as "14/15-2-C-1" (fiscal year– quarter– correction number).

Revisions: Sometimes, after an invoice has been processed and paid, a LEC/LGA may discover the need to revise the invoice. In these situations, the invoice should be recomputed and resubmitted along with a copy of the original paid invoice summary

sheet. The revised invoice must be identified as a "Revised Invoice" in the transmittal letter and also in the invoice number (i.e., R-1). If the revision results in a DHCS credit invoice, the LEC/LGA must submit a check for the amount of the **difference** along with a copy of the original invoice and the revised invoice.

The invoice number for the second revised invoice of the third quarter of fiscal year 2014/15 should read as "14/15-3-R-2" (fiscal year–quarter–revision number).

Credits: Every credit Revised Invoice submitted to DHCS must be accompanied with a check from the respective entity in the amount of the revision (i.e., the **difference** between the original amount and the revised amount).

Note: Corrections and Revisions require a new SMAA Summary Invoice and all supporting documentation.

Averaging Quarter Worksheet (TAB 10: Pool 1. & TAB 11: Pool 2)

When a claiming unit averages the first quarter of each fiscal year they must submit with their invoice an Averaging Quarter Worksheet.

Additionally, all claiming units are required to complete the Time Survey Summary Worksheet. The Time Survey Summary worksheet must be kept onsite in the operational plan.

- **Averaging:** The claiming unit must average the time survey results for the first quarter in a fiscal year using the results of quarters two, three, and four from the previous year.

How to Average:

1. Compile the time survey results for quarters, two, three and four from the previous year for each Participant Pool to arrive at new recalculated time survey percentages.
2. The compiled percentages should be added and divided by three. This will give you the averaged quarter averaging percentages.
3. Be sure to make your calculations clear and well documented in the event of an audit or site visit.
4. These worksheets must be submitted with each invoice that you have chosen to average.

A summary copy of the LEC/LGA Region's or Consortia's non-averaged quarter time survey results in invoice order (Tab 2, Column D for Pool 1 and Tab 2, Column E for Pool 2) must be submitted with the SMAA Detail and SMAA Summary Invoice. Invoices submitted without this documentation will not be processed or paid by DHCS and be returned to the LEC or LGA.

Summary of SACS-Based Financial Reports

Activities and Medi-Cal Percentages Worksheet:

No SACS financial reports required.

Direct Charges Worksheets:

No SACS financial reports required.

Payroll Data Collection Worksheet:

Column A: Pool 1 and Column B: Pool 2:

Row 43 – Include Objects 1000–2999, SACS Functions 1000–2699, 2800–6999 and 7200–9999. Include only non-federal SACS resources 0000-2999, 5640-5649, and 6000-9999.

Row 48 – Include Objects 1000–2999, SACS Functions 2700-2799 7000–7119 and 7130-7189. Include only non-federal SACS resources 0000-2999, 5640-5649, and 6000-9999.

Column C: Pool 1 and Column D: Pool 2:

Row 43 – Include Objects 3000–3999, SACS Functions 1000–2699, 2800–6999 and 7200–9999. Include only non-federal SACS resources 0000-2999, 5640-5649, and 6000-9999.

Row 48 – Include Objects 3000–3999, SACS Functions 2700 2799 7000– and 7130-7189. Include only non-federal SACS resources 0000-2999, 5640-5649, and 6000-9999.

Costs and Revenues Worksheet:

Row 56 (Tab 6) and 78 (Tab 7):

Federal Revenues, include Objects 8100–8299.

Row 57 (Tab 6) and 79 (Tab 7):

LCFF Sources Revenue, include Objects 8010–8099.

Row 58 (Tab 6) and 80 (Tab 7):

Other State Revenues include Objects 8300–8599.

Row 59 (Tab 6) and 81 (Tab 7):

Other Local Revenues include Objects 8600–8799.

Row 60 (Tab 6) and 82 (Tab 7):

Other Financing Sources include Objects 8910–8979.

Row 61 (Tab 6) and 83 (Tab 7):

Contributions to Restricted Programs, include Objects 8980–8999.

Row 62 (Tab 6) and Row 87 (Tab 7), Column N:

Other Costs Net of Federally Funded expenditures, include Objects 4000-5999, SACS Functions 2700 – 2799 7000–7119 and 7130-7189. Include only non-Federal SACS resource series: 0000-2999, 5640-5649 and 6000-9999.