

## **Fiscal Communiqué - #08-04 – Allocations, Budgets & Payments – FY 2008-09**

**Title:** Allocations, Budgets & Payments – FY 2008-09

**Date:** June 13, 2008

**Category:** Informational

**Action required:** Take appropriate steps as needed

**Response Required:** No

**Citation/Reference:** CCIS Grant, Payment Provisions (Rider 1), Sections 2.B. and 2.D.

### **Purpose:**

To provide information and direction regarding CCIS allocations, Family Support Services (FSS) budgets and payments for FY 2008-09.

### **Discussion:**

#### **1. CCIS Payments & Commonwealth Budget**

To date, a Commonwealth Budget has not yet been approved for FY 2008-09. Therefore, OCDEL is reminding you to begin preparations for accessing a line of credit in the event of a delayed payment to the CCIS agencies in the new fiscal year. (Reference CCIS Grant, Payment Provisions (Rider 1), Section 2.D.)

Recall that the 2007-08 State Budget was passed in early July 2007. Despite the quick budget resolution, CCIS payments were still delayed. Therefore, you are strongly urged to prepare for the worst and be ready to access a line of credit in July 2008 if absolutely necessary. The CCIS should use its best business judgment in determining the amount of credit that should be made available.

#### **2. CCIS Allocations**

The Office of Child Development and Family Learning (OCDEL) recognizes that many CCIS encumbrances for FY 2008-09 are currently elevated in many funding sources. We want to assure you that we are monitoring these and will continue to evaluate encumbrances for the new fiscal year (in addition to the 2007-08 fiscal year). We intend to redistribute funds as needed within Former TANF and TANF as soon as possible after either July 1, 2008 or the passage of the State Budget – whichever is later.

#### **3. Family Support Services Budgets**

As you know, OCDEL staff relies on data from the PELICAN Child Care Works system for fiscal planning and tracking purposes. In order for the new Family Support Service (FSS) budgets to be available for the appropriate staff, all FSS budgets MUST be entered into PELICAN Child Care Works as of 5:00 pm on Thursday, July 31, 2008.

FSS budgets are to match either the original FSS budget as submitted and approved for your 2008-09 grant renewal – or the most current approved budget revision(s) (in the event that you submit revisions prior to July 31, 2008).

#### **4. Family Support Services Payments**

The CCIS Grant, Payment Provisions (Rider 1), Section 2.B. allows OCDEL to increase monthly FSS payments when justified. Therefore, in an attempt to minimize the need for a line of credit early in the fiscal year, CCIS monthly base FSS payments for July, August and September 2008 will be slightly increased to an amount slightly more than 1/12<sup>th</sup> of the total allocation. As a

result of the increased base amount for three months, the base amount will be slightly less for the remaining 9 months of the fiscal year.

The change to the base FSS payment amount will not impact the FSS reconciliation process which will continue to occur.

To determine what your base FSS payments will be (using current FY 2008-09 FSS allocations), use the following calculation:

1. divide current FSS allocation by 10 = base FSS payment for July, August & September 2008
2. multiply the result of step 1 by 3
3. subtract the result of step 2 from the FSS allocation
4. divide the result of step 3 by 9 = base FSS payment for remaining months (unless FSS allocation amount changes)

**EXAMPLE:**

FSS Allocation = \$10,000

1.  $\$10,000 / 10 = \$1,000$  (base FSS payment for July, August & September)
2.  $\$1,000 * 3 = \$3,000$
3.  $\$10,000 - \$3,000 = \$7,000$
4.  $\$7,000 / 9 = \$777.78$  (base FSS payment for October through June)

**Next Steps:**

1. Share this communiqué with staff who are responsible for obtaining a line of credit, establishing FSS budgets and monitoring/evaluating CCS payments.
2. Submit budget revision request(s) following the standard budget revision change process for any proposed shifts from FSS to Service.
3. This communiqué becomes obsolete effective 12/31/2008.
3. Direct questions to your Subsidy Coordinator.