
CLAIMING INSTRUCTIONS
FOR LOCAL COURT COSTS AND
OTHER RELATED CHARGES
PURSUANT TO
PENAL CODE SECTION 4750

STATE OF CALIFORNIA



STATE CONTROLLER'S OFFICE

March 2017

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Introduction

Penal Code (PC) section 4750 provides that cities and counties shall be reimbursed for reasonable and necessary costs connected with state prisons or prisoners related to any crime committed at a state prison, whether by a prisoner, employee, or other person; and for any crime committed by a state inmate at a state hospital. A city or county may apply for reimbursement of these costs incurred at a state prison or state hospital (see list of facilities below) in the manner prescribed by the State Controller's Office (SCO). Specific criteria regarding reimbursable activities and costs related to state prisons and state hospitals are detailed on pages 5 through 15.

Eligible Claimants

Any city or county that has incurred costs in connection with any matter set forth in PC section 4750 is eligible to claim for reimbursement. Claims must be filed directly with SCO, except for the costs incurred by a superior court.

For more information regarding superior court reimbursement, please call the Trial Court Budget Program and Policy Unit of the Judicial Council at (415) 865-7553 or (818) 558-3115.

California Department of Corrections and Rehabilitation (CDCR) State Prisons

- Avenal State Prison (ASP)
- California City Correctional Facility (CAC)
- California Correctional Center (CCC)
- California Correctional Institution (CCI)
- California Health Care Facility, Stockton
- California Institution for Men (CIM)
- California Institution for Women (CIW)
- California Men's Colony (CMC)
- California Medical Facility (CMF)
- California Rehabilitation Center (CRC)
- California State Prison, Corcoran (CSP-COR)
- California State Prison, Los Angeles County (LAC)
- California State Prison, Sacramento (SAC)
- California State Prison, Solano (SOL)
- California Substance Abuse Treatment Facility and State Prison, Corcoran (SATF-CSP, Corcoran)
- Calipatria State Prison (CAL)
- Centinela State Prison (CEN)
- Central California Women's Facility (CCWF)
- Chuckawalla Valley State Prison (CVSP)
- Correctional Training Facility (CTF)
- Deuel Vocational Institution (DVI)
- Folsom State Prison (FSP)
- High Desert State Prison (HDSP)
- Ironwood State Prison (ISP)

- Kern Valley State Prison (KVSP)
- Mule Creek State Prison (MCSP)
- North Kern State Prison (NKSP)
- Pelican Bay State Prison (PBSP)
- Pleasant Valley State Prison (PVSP)
- Richard J. Donovan Correctional Facility (RJD)
- Salinas Valley State Prison (SVSP)
- San Quentin State Prison (SQ)
- Sierra Conservation Center (SCC)
- Valley State Prison (VSP)
- Wasco State Prison-Reception Center (WSP)
- Shafter Modified Community Correctional Facility (SMCCF)
- Central Valley Modified Community Correctional Facility (CVMCCF)
- Taft Modified Community Correctional Facility (TMCCF)
- Desert View Modified Community Correctional Facility (DVMCCF)
- Delano Modified Community Correctional Facility (DMCCF)
- Golden State Modified Community Correctional Facility (GSMCCF)
- Female Community Reentry Facility (FCRF)

California Department of State Hospitals (DSH)

Pursuant to Welfare and Institutions Code (WIC) section 7200, the following are state hospitals for the care, treatment, and education of the mentally disordered:

- DSH – Atascadero
- DSH – Coalinga
- DSH – Metropolitan Los Angeles County
- DSH – Napa
- DSH – Patton
- Any other State Department of State Hospitals facility subject to available funding by the Legislature

Forms for Submission (see Appendix A, page A-1)

Eligible claimants must use the Statement of Costs, Form FAM-27, to claim for reimbursement. The Form FAM-27 summarizes the costs incurred and must appear as the face sheet of the claim. Claimants must properly complete this form and have it signed in blue ink by an authorized officer of the agency.

Additionally, claimants must complete a Cost Report, Form 1A, detailing the amounts for each subject (i.e., prisoner, employee, other person) in which costs were incurred, and a Summary Report, Form 1B, summarizing the costs from Form 1A. These forms (see Appendix A) must be attached and submitted with the Form FAM-27.

SCO recommends filing claims monthly, refer to the Deadline for Filing Claims, page 4.

Claimants may submit computer-generated forms in lieu of Forms 1A and 1B, provided the format of the forms and data fields contained within are identical to the SCO claim forms included with the claiming instructions. SCO may revise the manual and claim forms as necessary, which may require claimants to change the computer-generated forms.

Supporting Data for Claims

Claimants must include, with Form 1A, sufficient detail and supporting documentation to demonstrate that the expenditures were authorized by statutes contained within these instructions. Supporting documentation must include, at a minimum (if applicable):

- A statement of fees for court-appointed attorneys. This statement may be omitted if the total fees are \$500 or less;
- A statement of costs for investigators, expert witnesses, or other professional services. This statement may be omitted if the total costs for each is \$150 or less. Include a brief description of the services provided, regardless of cost;
- Invoices for costs of other direct services and/or supplies that exceed \$50. Provide a list of all services and/or supplies, regardless of cost;
- The indirect cost rate proposal (ICRP) for the claiming of indirect costs (overhead). Claimants must develop and submit the ICRP with the initial claim of each fiscal year. If an ICRP is not submitted, the claimant should apply the default indirect cost rate of 10% to direct labor;
- Travel expense claims; and
- The cover page of the writ of habeas corpus.

Certification of Claims

Claims cannot be processed for payment unless they are properly certified by a representative of the claimant. Pursuant to PC section 4753, a city or county shall designate an officer or agency to prepare a statement of costs to be reimbursed.

The following certification must appear on the face sheet of the claim:

I hereby certify under penalty of perjury that the city or county named herein is entitled to the amount claimed, that the claim within is in all respects a true and correct statement of costs incurred under Penal Code section 4750, as applicable, and that I have not violated any of the provisions of Government Code sections 1090 to 1098, inclusive.

If the statement concerning the claim is true and correct, the authorized representative should sign and date the claim and type or print his or her name and title below the signature, as indicated on the Form FAM-27.

Deadline for Filing Claims

Claimants have six months after the close of the month in which the costs were incurred (Pen. Code § 4750(j)) to file a claim. Claims filed after the six month deadline will not be reimbursed by SCO.

Date Costs were Incurred ¹	Close of the Month	Six-Month Period to File Claims ¹					
		1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month Deadline
Jul 1 – 31	Jul-31	August	September	October	November	December	Jan-31
Aug 1 – 31	Aug-31	September	October	November	December	January	Feb-28/29
Sep 1 – 30	Sep-30	October	November	December	January	February	Mar-31
Oct 1 – 31	Oct-31	November	December	January	February	March	Apr-30
Nov 1 – 30	Nov-30	December	January	February	March	April	May-31
Dec 1 – 31	Dec-31	January	February	March	April	May	Jun-30
Jan 1 – 31	Jan-31	February	March	April	May	June	Jul-31
Feb 1 – 28/29	Feb-28/29	March	April	May	June	July	Aug-31
Mar 1 – 31	Mar-31	April	May	June	July	August	Sep-30
Apr 1 – 30	Apr-30	May	June	July	August	September	Oct-31
May 1 – 31	May-31	June	July	August	September	October	Nov-30
Jun 1 – 30	Jun-30	July	August	September	October	November	Dec-31

¹ PC section 4750(j) states: "No city, county, or other jurisdiction may file, and the state may not reimburse, a claim pursuant to this section that is presented to the Department of Corrections and Rehabilitation or to any other agency or department of the state more than six months after the close of the month in which the costs were incurred."

Address for Filing Claims and Indirect Cost Rate Proposals

Claimants must submit the claims and Indirect Cost Rate Proposals to:

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

Address, if delivered by other delivery service:

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

Office of the State Controller
 Attn: Local Reimbursements Section
 Local Government Programs and
 Services Division
 3301 C Street, Suite 700
 Sacramento, CA 95816

Payment of Claims

SCO approves claims for payment within 60 days in the order of receipt, or otherwise provides a written statement to the claimant explaining why the payment cannot be made within the specified time. An Electronic Funds Transfer payment is made to the city or county treasurer and a copy of the remittance advice is posted to the SCO website. Each department within the city or county awaiting reimbursement should contact its treasurer for payment information.

Only claims approved by SCO are eligible for reimbursement from the funds appropriated in Item 5225-101-0001 of the annual Budget Act. If the appropriation for paying claims becomes insufficient, the SCO will report the amount of insufficiency to the State Department of Finance. When additional funds are appropriated, SCO will pay the remaining claims in the order in which they were received.

Audit of Claims

SCO will conduct audits as it deems necessary. Accordingly, claimants must retain documentation for audit purposes for a period of no less than three years from the date of payment of the claim.

Reimbursable Incidents Connected to State Prisons or Prisoners

As defined in PC section 4754, a "prisoner" is any person committed to a state prison, including a person who has been transferred to any other facility, has escaped, or is otherwise absent, but does not include a person who is on parole.

Incidents connected with state prisons or prisoners requiring adjudication or action on the part of a city or county are as follows:

1. Any crime committed at a state prison, whether by a prisoner, employee, or other person. (Pen. Code § 4750(a))
 - Crimes committed by prisoners in a state prison include, but are not limited to:
 - Assault on another prisoner or person;
 - Battery on a person;
 - Escape or attempted escape from prison;
 - Holding any person as hostage;
 - Possession of illegal drugs; or
 - Possession of weapons.
 - Crimes committed by employees in a state prison include, but are not limited to:
 - Fraudulently aiding or voluntarily permitting the escape of any prisoner in custody; or
 - Possession of illegal drugs.
 - Crimes committed by persons (visitors) in a state prison include, but are not limited to:
 - False identification to secure admission to the prison;
 - Possession of illegal drugs;
 - Possession of weapons; or
 - Unauthorized communication with prisoners.

2. Crimes committed by a state prisoner while detained in a local correctional facility as a result of a transfer, pursuant to PC sections 2910 or 6253, or in conjunction with any hearing, proceeding, or other activity included in PC section 4750 include, but are not limited to (Pen. Code § 4750(a)):
 - Assault on another prisoner or person;
 - Battery on a person;
 - Escape or attempted escape from prison;
 - Holding any person as hostage;
 - Possession of illegal drugs; or
 - Possession of weapons.
3. Any crime committed by a prisoner in furtherance of an escape. A crime committed within 10 days after an escape or within 100 miles of the escaped facility is considered to have been a crime committed in furtherance of an escape. (Pen. Code § 4750(b))
4. Any hearing on any return of a writ of habeas corpus prosecuted by or on behalf of a prisoner. (Pen. Code § 4750(c))
5. Any trial or hearing on the question of the sanity of a prisoner. (Pen. Code § 4750(d))
6. Any costs not otherwise reimbursable under PC section 1557 or any other related provision in connection with any extradition proceeding for any prisoner released to hold. (Pen. Code § 4750(e))
7. Any costs incurred by a coroner in connection with the death of a prisoner. (Pen. Code § 4750(f))
8. Any costs incurred in transporting a prisoner within the host county or as requested by the prison facility or incurred for increased security while a prisoner is outside a state prison. (Pen. Code § 4750(g))

Reimbursable Incidents Connected to State Hospitals

1. Any crime committed by a state inmate at a state hospital for the care, treatment, and education of the mentally disordered as specified in WIC section 7200. (Pen. Code § 4750(h))
2. Commencing January 1, 2012, any non-treatment costs described in Welfare and Institutions Code (WIC) section 4117(b). (Pen. Code § 4750(i))

Reimbursable Activities for Cities and Counties

Reimbursements to cities and counties for the costs of adjudication or action because of incidents connected with a state prison pursuant to PC sections 4700.1, 4751 to 4755, or a state hospital as specified in WIC section 7200, are as follows:

1. County costs of transporting prisoners for any trial or hearing referred to in PC section 4750.

The sheriff of the county where such trial or hearing is had and the person in charge of the prison may agree that the county shall transport prisoners in a state prison to and from such prison. Upon such agreement, the county, and not the Department of Corrections, shall perform the transportation referred to in this section. (Pen. Code § 4700.1)

2. Costs of law enforcement agencies in connection with any matter set forth in PC section 4750, including the investigation or evaluation of any of those matters regardless of whether a crime has in fact occurred, a hearing held, or an offense prosecuted. (Pen. Code § 4751(a))
3. Costs of participation in any trial or hearing of any matter set forth in PC section 4750, including the costs for the preparation for the trial, pretrial hearing, actual trial or hearing, expert witness fees, the costs of guarding or keeping the prisoner, the transportation of the prisoner, the costs of appeal, and the execution of the sentence. The cost of detention in a city or county correctional facility shall include the same cost factors as are utilized by the Department of Corrections in determining the cost of prison care in state correctional facilities. (Pen. Code § 4751(b))
4. The costs of the prosecuting attorney in investigating, evaluating, or prosecuting cases related to any matter set forth in PC section 4750, whether or not the prosecuting attorney decides to commence legal action. (Pen. Code § 4751(c))
5. Costs incurred by the public defender or court-appointed attorney with respect to any matter set forth in PC section 4750. (Pen. Code § 4751(d))
6. Any costs incurred for providing training in the investigation or prosecution associated with any matter set forth in PC section 4750. (Pen. Code § 4751(e))
7. Any other costs reasonably incurred by a county in connection with any matter set forth in PC section 4750. (Pen. Code § 4751(f))
8. Reasonable and necessary costs shall be based upon all operating costs, including the cost of elected officials, except superior court judges, while serving in line functions and including all administrative costs associated with providing the necessary services and securing reimbursement therefore. Administrative costs include a proportional allowance for overhead determined in accordance with current accounting practices. (Pen. Code § 4752)
9. A city or county shall designate an officer or agency to prepare a statement of costs that shall be reimbursed under this chapter (Ch. 227/04). (Pen. Code § 4753)
10. Whenever a person has entered upon a term of imprisonment in a penal or correctional institution, and whenever during the continuance of the term of imprisonment there is a detainer lodged against the prisoner by a law enforcement agency or prosecutorial agency of the state or its subdivisions, the Department of Corrections may do either of the following:

- (a) Release the inmate to the agency lodging the detainer, within five days, or five court days if the law enforcement agency lodging the detainer is more than 400 miles from the county in which the institution is located, prior to the scheduled release date provided the inmate is kept in custody until the scheduled release date.
- (b) Retain the inmate in custody up to five days, or five court days if the law enforcement agency lodging the detainer is more than 400 miles from the county in which the institution is located, after the scheduled release date to facilitate pickup by the agency lodging the detainer.

If a person has been retained in custody under this subdivision in response to the issuance of a warrant of arrest charging a particular offense and the defendant is released from custody following the retention period without pickup by the agency lodging the detainer, a subsequent court order shall be issued before the arrest of that person for the same offense which was charged in the prior warrant.

“Detainer” means a warrant of arrest. (Pen. Code § 4755)

Direct Costs

Direct costs are those that can be readily identified with a single program or activity. Normally, direct costs will include the salaries, benefits, and supplies that can be directly identified with a particular function. The salaries and benefits of a first-line supervisor should also be included as a direct cost. Administrative salaries and benefits above first-line supervision may not be claimed as a direct cost.

Following are examples of costs and other charges that may be eligible for reimbursement in connection with the proceedings to prosecute persons for crimes committed in a state prison or state hospital, hearings on the return of the writ of habeas corpus, hearings on the question of an inmate's sanity, and coroner's services resulting from the death of a state inmate. Where applicable, statutes governing cost reimbursement are referenced. This list is not inclusive of all reimbursable costs.

1. Labor Costs

A city or county may claim allowable direct labor costs if such costs were necessary and can be specifically identified to the case claimed. Direct labor costs consist of two components, direct labor and the employer's fringe benefits contribution.

- Direct Labor

A claimant may compute a productive hourly rate for each job classification that includes labor directly related to the claimed reimbursable cost. Several options for determining the productive hourly rate are available. A city or county may use:

- Actual annual productive hours for each job classification; or
- The city's or county's average annual productive hours; or

- o An annual average of 1,800 hours (excluding paid holidays, vacation earned, sick leave taken, informal time off, jury duty, and military leave taken).

Claimants choosing actual annual productive hours must show the factors affecting total hours worked. SCO recommends the following method to convert a biweekly salary to an equivalent productive hourly rate for a 40-hour week:

$$(\text{Biweekly Salary} \times 26) / 1800 = \text{Equivalent Productive Hourly Rate}$$

If, for example, the biweekly salary is \$935, the equivalent productive hourly rate would be:

$$(\$935 \times 26) / 1800 = \$13.51 \text{ Equivalent Productive Hourly Rate}$$

The same formula can be used to convert weekly, monthly, or other salary periods: Convert the salary to an annual amount, and then divide by the allowable annual productive hours for that position.

- Employer’s Fringe Benefits Contribution

To determine the employer’s fringe benefits contribution, a city or county may claim either actual fringe benefit contributions or a percentage of direct labor. When computing a percentage, claimants should use the same time base for both salary and fringe benefits. For example, if health and dental insurance payments are made annually, claimants should use an annual salary basis. The employer’s total contribution rate is the total of the percentage of salary for each fringe benefit.

For example:

<u>Employer’s Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	6.30
Health and Dental Insurance	5.25
Worker’s Compensation	0.75
Total	<u>27.30%</u>

2. Legal Costs

Legal costs may include attorney(s) of record for both the defense and prosecution.

- Normal salaries and benefits for city or county employees (attorneys) are reimbursable. Overtime and fringe benefits actually paid may be reimbursable if such overtime is directly attributable to the particular case. The necessity, duration, and extent of the overtime must be fully explained and authorized in writing by the appropriate supervisor and must be documented in accordance with written personnel policies. Overtime documentation must be retained for audit examination.

- Assigned counsel fees, costs, or expenses may be reimbursable if they are consistent with the provisions of PC section 987.2.
- Each contract attorney and associated support personnel must have a written contract indicating the rate of compensation, including that for trial work, overtime, and expenses. The contract with non-city/county personnel should specify the fee or rate of pay and the treatment of overtime, if applicable. Overtime will be defined by the city or county.
- Charges for the services of outside contractors, including court-appointed attorneys, must be supported through adequate timekeeping records in order to be considered for reimbursement. The appropriate contract supervisor or the local official must approve the time charged. The contractors, including court-appointed attorneys, investigators, consultants, experts, and others, must maintain records for billing purposes. These records must be made available to SCO, upon request, in order for SCO to determine the reliability of timekeeping records submitted to the city or county.
- The trial judge determines fees for court-appointed attorneys, consultants, experts, and others. Reimbursement should not exceed customary fees allowed by the courts for services in similar cases.

3. Investigation Costs

The costs of licensed investigators are reimbursable at a rate not to exceed the prevailing rate paid to investigators performing similar services. The cost of an investigation conducted by an attorney is reimbursable if the investigating attorney is not an attorney of record for the case. Such reimbursement should not exceed the prevailing rate paid to investigators performing similar services. For the purpose of this section, "investigation" does not include legal research or legal representation.

4. Travel Costs

Travel costs, such as mileage, room and board, and per diem, may be reimbursable in accordance with the rules of the local jurisdiction. In the absence of such rules, travel and subsistence expenses may not exceed the Victim Compensation and Government Claims Board rates as outlined in Title 2, California Administrative Code, sections 700 through 715 and section 718.

Documentation supporting travel and per diem expenses must reasonably conform to state travel expense claims and should include the following information:

- Name and address (business and residential) of the person incurring the expenses;
- Date and time of departure and return for each trip;
- Description of each expense claimed;
- If a private automobile is used, the number of miles traveled; and
- Cost of commercial transportation (supported by appropriate receipts); and amount of

carfare, bridge tolls, and parking charges (supported by receipt of any charge exceeding \$10).

5. Marshall/Sheriff Costs

Any reasonable and necessary security costs incurred may be reimbursable such as:

- Transportation of prisoners to and from the prison. Supporting documentation requirements are provided in the Travel Costs Section.
- All costs for guarding and keeping of prisoners while they are away from prison or a county or city correctional facility.

Note: The cost of detention shall include the same cost factors as are utilized by the CDCR under PC section 4016.5 for the local correctional facility.

6. Coroner's Costs

Costs incurred by the coroner of the county for services in connection with the death of an inmate or in a state prison, may be reimbursed.

7. Miscellaneous Costs

Various miscellaneous costs may be reimbursable, including the following:

- The cost of equipment rental. To be reimbursable, rental costs must be incurred solely because of the trial. The rental contract must be retained for audit review. SCO will not reimburse equipment rental costs that exceed the original purchase price and the normal finance charge.
- Lease purchases of equipment are considered purchases and are not reimbursable as a direct cost. These costs are to be allocated under the "Equipment Depreciation" category in the local agency's cost allocation plan and claimed under the agency's ICRP.
- Building alterations or construction must be deemed necessary security measures by the court in order to be considered for direct reimbursement by the State. However, if the building construction is permanent in nature and results in an improvement to the original structure, the cost must be capitalized. The cost must be allocated under the "Building Depreciation" category in the local agency's cost allocation plan and claimed under the agency's ICRP.
- Reasonable expenses approved by the court may include, but are not limited to, improving the defendant's appearance in court (e.g., clothing, haircut, etc.), and costs incurred by the County Clerk in preparation for trials (e.g., filing of pleadings, motions, judgments, processing and keeping records of court proceedings, etc.).
- Reasonable and necessary costs incurred in preparing a claim for submission under PC section 4750. Please refer to page 4 for examples of reimbursable costs.

- Time spent documenting costs and completing the Statement of Costs (Form FAM-27), the Cost Report (Form 1A), and the Summary Report (Form 1B); and developing direct and indirect billing rates for personal services and materials used; and successfully resolving matters arising from SCO's rejection of costs claimed.

8. Services and Supplies

Services and supplies that can be specifically identified as reimbursable costs must be claimed as direct costs. Costs for services and supplies should be recorded as other direct charges on the Cost Report (Form 1A, line 15). Submit copies of supporting documentation for each service and supply cost listed on the Cost Report with the claim and maintain originals for a period of three years from the date of the payment.

These costs may be incurred by either a department that administers the program or by a central service department. Following are examples of some expenses allowable as direct costs:

- Detention in city or county facilities;
- Jury fees;
- Contracted attorney's costs; and
- Transportation of inmates.

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 are allowable only for costs incurred under PC section 4750.

Previously, the costs of elected officials were considered expenses related to general government and, thus, were unallowable for reimbursement purposes. Recent interpretation has moved in the opposite direction, except for those items of cost that are unallowable in the cost principles set forth in Office of Management and Budget Circular (OMB) Circular 2 CFR, Chapter I and Chapter II, Part 200 et al., formerly OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments. A cost that is necessary for proper and efficient administration of a program and is identifiable to that program is eligible for consideration as an allowable indirect cost. Allowable costs for time spent on programs must be supported by time records.

Cities and counties have the option of using 10% of direct labor as indirect costs or claiming indirect costs through a department's Indirect Cost Rate Proposal (ICRP) for the program, prepared in accordance with the provisions of OMB Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. An ICRP must be prepared if the claim for indirect costs is in excess of 10% of direct labor and **the ICRP must be submitted with the initial claim of each fiscal year.**

1. Fixed 10% Rate Method

A standard indirect cost allowance equal to ten percent (10%) of the direct labor (i.e. salary and wage cost of providing the service excluding overtime, shift premiums, and fringe benefits) may be used in lieu of an ICRP. Please see the example below.

Direct Costs Incurred By:	On Behalf of:	
<u>Auditor</u>	<u>Sheriff</u>	<u>District Attorney’s</u>
<u>Payroll:</u>	<u>Department</u>	<u>Office</u>
A. Employee’s Salary	\$5,000	\$1,000
B. Employee’s Benefits	800	200
C. First-line Supervisor’s Salary and Benefits	3,000	500
D. Indirect Cost (10% of A. Employee’s Salary)	500	100
E. Cost of Paper	350	100
Total amount charged to benefited departments for payroll services:	\$9,650	\$1,900

Any city or county using this method for claiming costs must submit a statement similar to the example above and with supporting data. The cost data required for desk audit purposes are described in these claiming instructions under legal costs, travel costs, Marshall/Sheriff costs, etc. (see pages 6 through 9).

2. Indirect Cost Rate Proposal Method

A city or county that elects not to utilize the 10% fixed rate method but wants to claim indirect costs must prepare an ICRP for the program. The proposal must be prepared in accordance with the provisions of the OMB Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. The proposal’s indirect cost pool should include only those costs incurred for a common or joint purpose that benefits more than one cost objective and may include only those costs that can be shown to provide benefits to the program. In addition, total allowable indirect costs may include only those costs that cannot be directly charged to an identifiable cost center, that is, the program.

A format for preparing a departmental ICRP is presented in Exhibit 1, page 11. This format is the only acceptable format according to SCO’s reimbursement criteria. If more than one department is involved in the reimbursement program, then each department must have its own ICRP. Claimants must develop and submit the ICRP with the initial claim of each fiscal year. If an ICRP is not submitted, the claimant should apply the default indirect cost rate of 10% to direct labor.

EXHIBIT 1
INDIRECT COST RATE PROPOSAL EXAMPLE
PUBLIC DEFENDER'S OFFICE INVESTIGATION
PROGRAM FISCAL YEAR 201_ - 1_

(a) Description of Costs	Total Costs	(b) Excluded Unallowable Costs	(c) Allowable Indirect Costs	(d) Allowable Direct Costs	Identifiable Program Costs	
					Investigation 4750	All Others
Salaries & Benefits:						
Salaries & Wages	\$ 1,150,000	\$ 50,000 (f)	\$ 150,000	\$ 950,000 (f)	\$ 100,000	\$ 850,000
Overtime	20,000		20,000			
Benefits	230,000	10,000	30,000	190,000	20,000	170,000
Total	\$ 1,400,000	\$ 60,000	\$ 200,000	\$ 1,140,000	\$ 120,000	\$ 1,020,000
Services & Supplies						
Office Expense	\$ 200,000	\$ 10,000	\$ 20,000	\$ 170,000	\$ 10,000	\$ 160,000
Communications	100,000	2,000	10,000	88,000	1,000	87,000
Transportation	120,000	5,000		115,000	5,000	110,000
Special Dept. Expense (Contracts)	250,000			250,000		250,000
Other, pass through program	800,000	800,000				
Total	\$ 1,470,000	\$ 817,000	\$ 30,000	\$ 623,000	\$ 16,000	\$ 607,000
Capital Expenditures	\$ 100,000.00	\$ 100,000.00				
Total Budgetary Expenditures	\$ 2,970,000	\$ 977,000	\$ 230,000	\$ 1,763,000	\$ 136,000	\$ 1,627,000
Cost Plan Costs:						
		Distribution Base				
Building Use	\$ 50,000	(Each line item should be reviewed to see if it benefits the program to insure a fair and equitable distribution.)	\$ 2,000	\$ 6,000	\$ 42,000	\$ 2,000 \$ 40,000
Equipment Use	30,000		1,000	3,000	26,000	1,000 25,000
Data Processing	50,000		5,000	30,000	15,000	15,000
Auditor	20,000			20,000		
Personnel	10,000		1,000	1,000	8,000	1,000 7,000
Roll Forward	10,000			10,000		
Total	\$ 170,000 (e)	\$ 9,000	\$ 70,000	\$ 91,000	\$ 4,000	\$ 87,000
Total Allowable Indirect Costs			\$ 300,000 (f)			
Distribution of Allowable Indirect Costs						
Based on Salaries & Wages (g)		\$ 15,000	\$ (300,000)	\$ 285,000	\$ 30,000	\$ 255,000
Totals	\$ 3,140,000	\$ 1,001,000	\$ 0	\$ 2,139,000	\$ 170,000	\$ 1,969,000

Notes to Exhibit 1

Any city or county using this method for claiming costs must submit a schedule as shown in Exhibit 1, using the same column headings: Description of Costs, Total Costs, Excluded Unallowable Costs (may be combined or separated), Allowable Indirect Costs, and Allowable Direct Costs (which are further allocated to identifiable programs and other). Any supporting data such as invoices, receipts, contracts, documents, etc., must also be submitted. The cost data required for desk audit purposes are described in these claiming instructions under legal costs, travel costs, Marshall/Sheriff costs, etc. (see pages 6 through 9).

- (a) Description of costs incurred. Examples include: Salaries and Benefits, Services and Supplies, Cost Plan Costs, etc.
- (b) Excluded costs are those costs that are unallowable and not allocable according to specific guidelines (OMB Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. and state laws). Examples of excluded costs: Contributions and donations; entertainment and entertainment-related costs, such as meals, beverages, lodging, rentals, transportation, gratuities; and pass-through revenues to another unit or organization.
- (c) Allowable indirect costs are costs that are not identifiable to a specific program or cost pool, and costs that indirectly benefit all cost pools.
- (d) Direct costs are costs that benefit a specific program or cost pool.
- (e) Overhead costs are distributed to each department in the cost allocation plan, prepared in accordance with the OMB Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. To develop the ICRP, claimants should use the cost allocation plan from the year for which the ICRP is being prepared. Do not include a roll-forward adjustment when the program is in its initial year.
- (f) The distribution base for the computation of the indirect cost rate is total direct salaries and wages (S&W).

Total Allowable Direct Costs (direct S&W)	\$950,000
Excluded Unallowable Costs (direct S&W)	50,000
Distribution Base	<u>\$1,000,000</u>

Therefore, Indirect Cost Rate for the Program:

$$\text{ICRP} = \frac{\text{Allowable Indirect Costs}}{\text{Total Salaries and Wages}} = \frac{\$300,000}{\$1,000,000} = 30.00\%$$

- (g) Indirect costs are then distributed at 30% multiplied by the salaries and wages.

APPENDIX A

State Controller's Office

PENAL CODE SECTION 4750 STATEMENT OF COSTS	FOR STATE CONTROLLER USE ONLY	PROGRAM PC 4750
Penal Code Section 4750 Date Input: _____		
(01) Claimant Identification Number _____		
(02) Claimant Name _____		
County of Location _____		
Street Address or P.O. Box _____		Suite _____
City _____	State _____	Zip Code _____
Departments	(03) Claimed Amount	
County Clerk		
Coroner		
District Attorney		
Probation		
Public Defender		
Sheriff		
(04) Other Department(s):		
(a)		
(b)		
(c)		
(d)		
(e)		
(05) Total Claimed Amount		
(06) CERTIFICATION OF CLAIM		
I hereby certify under penalty of perjury that the city or county named herein is entitled to the amount claimed, that the claim within is in all respects a true and correct statement of costs incurred under Penal Code section 4750, as applicable, and that I have not violated any of the provisions of the Government Code sections 1090 to 1098, inclusive.		
Signature of Authorized Officer _____		
	Date Signed	_____
_____	Telephone Number	_____
_____	Email Address	_____
Type or Print Name and Title of Authorized Signatory _____		
(07) Name of Contact Person for Claim _____		
	Telephone Number	_____
_____	Email Address	_____

State Controller's Office

PROGRAM PC 4750	PENAL CODE SECTION 4750 STATEMENT OF COSTS INSTRUCTIONS	FORM FAM-27
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- (01) Enter the claimant identification number assigned by the State Controller's Office (SCO).
- (02) Enter the claimant's Official Name, County of Location, street or post office box address, city, state, and zip code.
- (03) Enter the claimed amount per department from Forms 1B, line (05), for the applicable department.
- (04) Enter the name(s) of the other department(s) not previously listed.
- (05) Total column (03) and enter the Total Claimed Amount. Claims should be rounded to the nearest dollar.
- (06) Read the statement of Certification of Claim. The claim must be signed and dated by the agency's authorized officer, type or print name and title, telephone number, and email address. **Claims cannot be paid unless accompanied by an original signed certification. (Please sign the Form FAM-27 in blue ink.)**
- (07) Enter the name, telephone number, and email address of the contact person for the claim.
- (08) **Submit a signed original 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
Local Government Programs and
Services Division
P.O. Box 942850
Sacramento, CA 94250**

Address, if delivered by other delivery service:

**Office of the State Controller
Attn: Local Reimbursements Section
Local Government Programs and
Services Division
3301 C Street, Suite 700
Sacramento, CA 95816**

State Controller's Office

PROGRAM PC 4750	PENAL CODE SECTION 4750 COST REPORT	FORM 1A
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(01) Department	
(02) Subject's Name	(06) Completion Date of Case
(03) Subject's CDCR Number	(07) Inclusive Days Costs Were Incurred From: _____ To: _____
(04) County Case Number	(08) Reimbursable Incident – Applicable Penal Code Section
(05) Name of Institution	(09) Criminal Charge

Reimbursable Activities

- | | | |
|-----------------------------|---|---|
| (A) Preparation of Trial | (D) Writ of Habeas Corpus | (G) Coroner Services |
| (B) Pretrial Hearing | (E) Transportation/Guarding of Prisoners | (H) Claim Preparation |
| (C) Actual Trial or Hearing | (F) Investigation – Including Evaluation of Cases | (I) Release/Retain Inmate for 5 days (Detainer) |

(10) Job Classifications	(a) Reimbursable Activity Code	(b) Hours Worked	(c) Hourly Rate	(d) Employee Salaries	(e) Employee Fringe Benefits	(f) Total Salaries and Benefits
(11) Total Salaries						
(12) Total Salaries and Benefits						
(13) Indirect Cost Rate			[From ICRP] or 10%			%
(14) Total Indirect Costs			[Line (13)(f) x line (11)(d)] or [Line (13)(f) x line (12)(f)]			
(15) Other Direct Charges (Use Attachment for Additional Entries)						
(a)						
(b)						
(c)						
(d)						
(16) Total Other Direct Charges						
(17) Total First-Line Supervision Salaries and Benefits						
(18) Total Direct Charges			[Line (16)(f) + Line (17)(f)]			
(19) Total Claimed Amount			[Line (12)(f) + Line (14)(f) + Line (18)(f)]			

State Controller's Office

PROGRAM PC 4750	PENAL CODE SECTION 4750 COST REPORT INSTRUCTIONS	FORM 1A
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- (01) Enter the name of the department from which the costs were incurred. **Note:** Each department is required to file a separate Form 1A.
- (02) Enter the subject's name. Carry the subject's name forward to Form 1B, line (02). **Note:** A separate Form 1A is required for each subject.
- (03) Enter the subject's CDCR number. If the subject is not a prisoner, please indicate if the subject is an employee, other person, or state inmate at a state hospital. **Note:** A crime committed at a state hospital by an employee or other person that is not a state inmate, is not reimbursable.
- (04) Enter the county case number.
- (05) Enter the name of the institution as indicated on pages 1 and 2 of the claiming instructions.
- (06) Enter the completion date of the case, if applicable.
- (07) Enter the inclusive days costs were incurred.
- (08) Specify the applicable Penal Code (PC) section.

See 'Reimbursable Incidents Connected to State Prisons or Prisoners' and 'Reimbursable Incidents Connected to State Hospitals' in the Claiming Instructions, pages 5 through 6, for more details.
- (09) Enter the criminal charge or reason for the claim.
- (10) Enter the job classification of the staff member(s) who worked on the case. Group staff members according to job classification. For audit purposes, retain all supporting documentation on file, which includes but is not limited to, records showing the amount of time spent on each case by each staff member who worked on the case.
 - (a) Enter the applicable letter(s), from (A) to (I), that describe(s) the reimbursable activity(ies) performed for each job classification.
 - (b) Enter the amount of time spent on the case (to a tenth of an hour) for each job classification.
 - (c) Enter the productive hourly rate for each job classification. Refer to page 8 of the instructions to determine a productive hourly rate.
 - (d) Enter the total salary for each job classification by multiplying the hours worked by the hourly rate.
 - (e) Enter the amount of accrued benefits for each job classification for the hours worked. Refer to page 7 of the Claiming Instructions to determine the employer's fringe benefits contribution.
 - (f) Enter the amount of total salaries and benefits for each job classification.
- (11) Enter the total of column (d).
- (12) Enter the total of column (f).
- (13) Enter the indirect cost rate. Indirect costs may be computed as 10% of direct labor (i.e. salary and wage cost of providing the service, excluding overtime, shift premiums, and fringe benefits) without preparing an ICRP. If an indirect cost rate of greater than 10% is used, the ICRP must be submitted with the initial claim of each fiscal year.
- (14) If the 10% flat rate is used for indirect costs, multiply Total Salaries, line (11)(d), by the Indirect Cost Rate, line (13)(f). If an ICRP is submitted, multiply applicable costs used in the distribution base for the computation of the indirect cost rate, by the Indirect Cost Rate, line (13). If more than one department is reporting costs, each must have its own ICRP for the program.
- (15) On lines (15)(a) through (15)(d), list the costs of materials, supplies, juror fees, witness fees, appointed attorney's fees, consultant services, rentals, etc., and enter the amounts in column (f). Attach receipts or invoices showing evidence of costs.
- (16) Enter the Total Other Direct Charges, the sum of lines (15)(a) through (15)(d), column (f).
- (17) Enter the Total First-line Supervision Salaries and Benefits.
- (18) Enter the Total Direct Charges, the sum of lines (16)(f) and (17)(f).
- (19) Enter the sum of the Total Salaries and Benefits, line (12)(f), Total Indirect Costs (if applicable), line (14)(f), and the Total Direct Charges, line (18)(f). Carry the amount forward to Form 1B, column (04), Total Claimed Amount.

PROGRAM PC 4750	PENAL CODE SECTION 4750 SUMMARY REPORT	FORM 1B
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(01) Department _____

SUMMARY OF FORM 1A

	(02) Subject's Name	(03) Reimbursable Incident – Applicable PC Section	(04) Claimed Amount
1.			
2.			
3.			
4.			
5.			
6.			
7.			
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9.			
10.			
11.			
12.			
13.			
14.			
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19.			
20.			
21.			
22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.			

(05) Total Subtotal Page: ____ of ____

State Controller's Office

PROGRAM PC 4750	PENAL CODE SECTION 4750 SUMMARY REPORT INSTRUCTIONS	FORM 1B
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- (01) Enter the name of the department from which the costs were incurred. **Note:** Each department is required to file a separate Form 1B.
- (02) Enter the subject's name from Form 1A, line (02).
- (03) Enter the reimbursable incident - applicable Penal Code section from Form 1A, line (08).
- (04) Enter the total claimed amount from Form 1A, line (19),
- (05) Total column (04) and carry the amount forward to Form FAM-27 line (03) for the applicable department. Check the appropriate box to indicate if the amount is total or subtotal. If more than one form is needed to detail the costs, number each page.