



LCTS Memo #97-d1

"Decision"

This is the first of a series of memos that will communicate decisions, as they are made, that impact the LCTS program.

During the LCTS test pilot, LCTS earnings were reported back to Collaboratives in a format that listed earnings according to which partner earned it. Beginning with payments for the second quarter of 1997, only the total federal claim payable will be reported to the Collaborative. The fiscal reporting and payment agent (county human service agency) will receive two separate reports or remittance advices[®] and two separate checks per quarter, since there are two funding sources. One remittance advice and check will be for the Title IV-E Administration claim payable and the other for the MA Administration claim payable. This process is consistent with payment processes for other DHS funding sources.

This change will support the assurances we gave our federal partners that the collaborative partners participating in the LCTS will not individually benefit from the time study. We assured them that all LCTS funds received will be under the authority and decision making of the local collaborative, whose partners decide together what services will be funded with the LCTS revenues based upon local need and not upon the participation of individual partners.

Please keep this memo for reference. All LCTS memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank you.



LCTS Memo #97-d2

"Decision"

~~There will be a change in the application and implementation deadlines starting with new applicants for the LCTS who wish to begin January 1, 1998. We have extended the length of the process. We hope this will be more manageable for everyone.~~

NOTE: LCTS Decision #97-d2 was withdrawn July, 2000

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LCTS Memo #97-d3

"Decision"

Up to five percent of LCTS funds may be spent on administrative expenses with no tracking or accountability to the Department of Human Services (DHS).

If your Collaborative anticipates administrative expenditures in excess of five percent, the Collaborative must submit a request to DHS explaining the circumstances. The entire amount (5% plus any amount over) must be tracked and documented. This information should also be included in subsequent year-end reports.

NOTE: This memo is superseded by LCTS Memo #05-d7.
Please see Section 1-56

Please keep this memo for reference. All LCTS memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank you.



LCTS Memo #97-d4

"Decision"

*LCTS funds must be spent within 24 months of the receipt of the funds.
Department of Human Services (DHS) will provide a format for the Collaborative
to report total expenditures by category of service.*

Interest on LCTS funds is subject to the same guidelines as other LCTS funds.

NOTE: See also LCTS Memo #06-D8

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LCTS Memo #97-d5

"Decision"

LCTS revenue should be recognized as federal with CFDA coded amounts at receipt by the county fiscal reporting and payment agent. It does not require a CFDA number at the point it is receipted by the local collaborative, any LCTS partner, or other local agency. The revenue received by these agencies is not subject to single audit and should be receipted and managed as a public local general fund revenue since it is for prior period expense reimbursement of federal match (and local public general funding of that match expense).

~~*School districts who are receipting the income to CFDA codes should continue to do so, but should understand that this income is immediately convertible to general funds and does not need to be tracked as part of the Schedule of Federal Financial Assistance (FFA schedule*~~

NOTE: Paragraph 2 of LCTS Decision #97-d5 was withdrawn July, 2000.

Please keep this memo for reference. All LCTS memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank you.



LCTS Memo #98-d6

"Decision"

*Collaboratives are required to maintain the same level of spending from any state, county, federal, or other public or private funding source, which, in the absence of the new federal reimbursement earned through LCTS, would have been available for these services. In other words, it is not allowable to substitute LCTS funding for any services that previously had funding from another source. This is called supplanting. LCTS funds **can** be used to pay for new early intervention or prevention services or to expand existing early intervention or prevention services.*

The reason for this requirement is that the federal funds received from LCTS are intended to pay for the expansion of early intervention and prevention services to benefit children and families, not to maintain programs previously funded by another source.

*An exception to this requirement is a **time-limited grant**. Time limited grants are not subject to the supplantation policy. Time limited grants are those that are designated to continue for a specific time period, and have been restricted to prevention and early intervention services.*

Nearly every situation is different. If you have specific questions about supplantation or time limited grants and your collaborative, refer to the DHS Contacts for LCTS Questions to determine whom to contact.

Please keep this memo for reference. All LCTS memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank you.

August 20, 1998

Section 1-58



LCTS Memo #05-d7

"Decision"

Effective May 1, 2005 – up to ten percent of LCTS funds may be spent on administrative expenses with no tracking or accountability to the Department of Human Services (DHS).

If your Collaborative anticipates administrative expenditures in excess of ten percent, the Collaborative must submit a request to DHS explaining the circumstances. The entire amount (10% plus any amount over) must be tracked and documented. This information should also be included in subsequent year-end reports.

Please keep this memo for reference. All LCTS memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank you.



LCTS Memo #06-d8

"Decision"

LCTS funds received in calendar years 2005, 2006, 2007 and 2008 must be spent within 48 months of the receipt of the funds.

Any portion of the 10% administrative allowance may be carried over to future years – as long as it is spent within 48 months of the receipt of the funds.

Interest on LCTS funds is subject to the same guidelines as other LCTS funds.

Please keep this memo for reference. All LCTS memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank you.



LCTS Memo #09-d9

"Decision"

LCTS funds received in or after calendar year 2005 must be spent within 48 months of the receipt of the funds.

Any portion of the 10% administrative allowance may be carried over to future years – as long as it is spent within 48 months of the receipt of the funds.

Interest on LCTS funds is subject to the same guidelines as other LCTS funds.

Please keep this memo for reference. All LCTS memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank you.



LCTS Memo #97-R1

“Reminder”

Earnings from the Local Collaborative Time Study must not be distributed back to Collaborative partners according to who earned it. This is a violation of the LCTS agreement with the federal government.

All earnings from the LCTS must be deposited in the Collaborative integrated fund. The Collaborative decides how the funds will be spent for expansion of early intervention and prevention services.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank you.



LCTS Memo #97-R2

"Reminder"

Clarification of Use of LCTS Reimbursements, page 4, Bulletin #96-72-1 entitled *DHS Announces the Opportunity to Participate in the Local Collaborative Time Study (LCTS)*:

All federal revenue received through the LCTS must be used to expand early intervention and prevention services for children and families.

*The bulleted phrases in this section describe the **GOALS** of the services, not the services themselves. These are:*

- / prevention of out-of-home placement*
- / enhancement of family support and children=s physical and mental health services*
- / development of a seamless system of services*
- / strengthening of local community-based collaborative efforts*

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LCTS Memo #97-R3

"Reminder"

LCTS earnings may not be spent on capital expenditures (ex: bricks & mortar). Under the Federal Code of Regulations (cite - 26 CFR sec. 1.150-1), capital expenditures are defined as:

Costs incurred to acquire, construct or improve land, buildings and equipment. Whether an expenditure is a capital expenditure is determined at the time the expenditure is paid with respect to the property.

Minnesota statute states that revenue enhancement reimbursement must be spent on services. As outlined in the LCTS bulletin DHS (96-72-1), LCTS funds must be used for expanding preventive services to children and families. This is not a new decision but rather a clarification of the intent of the program. Watch for more information on this issue in future publications.

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LCTS Memo #97-R4

"Reminder"

All participants in the LCTS must meet certain minimum criteria. These criteria are based on the agreement with the federal government and the results of the two year LCTS test pilot. These criteria are outlined in the LCTS Implementation Bulletin #96-72-1.

Please Note: All Collaboratives participating in the LCTS must have a Public Health partner, a Corrections partner, and at least one Public School District partner.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the DHS Contacts for LCTS Questions to determine whom to contact. Thank you.



LCTS Memo #97-R5

"Reminder"

~~The Collaborative Focus Teams are the vehicle for local input for the LCTS. Local participation on the Focus teams has always been an important asset to the Collaborative process. If you are not already involved with the Focus teams, and would like to be, here is a list of contacts:~~

~~**Service Delivery Focus Team** (eff 8/1/97) - Fred Aden (state) (612) 296-1824, Ruth Curwen Carlson (state) (612) 623-5459, Chris Oldakowski (local) (320) 231-7036~~

~~**Governance Focus Team** - Brenda Pautsch (state) 320-864-7602, Dennis Johnson (local) (612) 861-9754~~

~~**Finance Focus Team** - Jamie Halpern (local) (612) 348-9259, Joyce Krupey (state) (612) 282-5982~~

~~**Information Management Focus Team** - Peggy Erkel Thorson (state) (612) 215-0099, Sunday Olayinka (state) (612) 296-7905~~

~~**Evaluation Focus Team** - Deb Wells (state) (612) 296-9783, Jill Weise (state) (612) 297-3641~~

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LCTS Memo #97-R6

"Reminder"

As part of the contract agreement, Collaboratives participating in the LCTS agree to provide reports and other information needed by the State to properly administer the LCTS and comply with all appropriate federal and state laws, rules, and regulations. Examples of this documentation include application documentation (including the LCTS contract), spending plans, cost reports, outcome-based indicators, log sheets, and other relevant information requested by the State.

If the information required is not received on a timely basis, DHS may, according to the LCTS contract, delay distribution of LCTS funds until the information is received.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #97-R7

"Reminder"

The school districts, public health entities and corrections entities that participate in the LCTS must be partners in the Collaborative. These partners must be included in the LCTS application documentation, which includes submitting a letter of intent to participate.

Staff participating in the LCTS must be employed by--on the payroll--of the Collaborative partner who is in the LCTS. Contracted staff cannot be participants in the LCTS.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #97-R8

"Reminder"

Any new staff members who are not trained by the training deadline date CANNOT be in the time study for that quarter. Please consult the LCTS Time lines for those dates (LCTS Memo #97-D2).

If you have already submitted an employee's name to DHS as a participant but do not get them trained you must contact the LCTS project manager at DHS immediately.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #97-R9

"Reminder"

According to Federal Regulations, staff working full-time at Detention Centers are not eligible to participate in the Local Collaborative Time Study. This includes employees on the payroll of either Public Schools or Department of Corrections.

Staff who spend some of their time at Detention Centers should code their time to "J – Other Services" if they are time studied when they are at the Detention Center.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #97-R10

"Reminder"

To add a school district to your LCTS, the school district must be a member of the collaborative. If you are planning to add a school district please contact us so we can discuss your individual collaborative structure.

If the school district is already a member of the collaborative, we need a letter of intent to participate in the LCTS and, if necessary, the interagency agreement (#9 of the application documentation) may need to be amended to include the school district.

If the school district is NOT a member of the collaborative, we need a letter of intent AND modifications to the original application documentation may be needed to reflect the addition of the school district to the collaborative membership. For example, the governance and interagency agreements may need to be amended to include the school district.

All new participant information must be submitted to DHS, and the staff must be trained to do the time study. These steps must take place according to the same time lines as new applications (see LCTS Memo #97-D2).

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #97-R11

"Reminder"

All federal revenue received through the LCTS must be used to expand early intervention and prevention services for children and families. Funding priorities must be established by Collaboratives based on local needs. LCTS funds cannot be used to supplant other revenues or fund out of home placements.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #97-R12

"Reminder"

The Local Collaborative Time Study (LCTS) contract between the State and a county contains a provision regarding the recovery of funds in the event of a disallowance or sanction imposed by the federal government. This provision places the risk of repaying any funds on the county. However, counties are free to pass all or part of the risk on to other members of the collaborative(s).

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #98-R13

"Reminder"

LCTS funds must be spent on expansion of early intervention and prevention services. Up to 5% of LCTS earnings may be spent on administrative expenses (see LCTS Decision Memo #3).

*LCTS funds may **not** be spent on support of Collaborative infrastructure, except as administrative expenses.*

*When Collaborative Implementation grants end, LCTS funds may be used to continue early intervention and prevention services formerly funded by those grants. Collaborative operational expenses funded by the Collaborative Implementation grants may **not** be funded by LCTS in the absence of those grants.*

NOTE: This memo is superseded by LCTS Memo #05-d7.
Please see Section 1-56

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LCTS Memo #98-R14

"Reminder"

In order not to unduly restrict Collaboratives, no prescriptive definition of "what is considered a service versus what is considered administration" has been issued regarding LCTS expenditures.

*Consistent with the proposed administration definition in the Federal Register, to be part of 45 CFR 200 et.seq., **examples** of administrative activities include, but are not limited to:*

- ✓ *planning; evaluation; training;*
- ✓ *salaries and benefits and all other indirect (or overhead) costs for staff when their responsibilities are not primarily associated with providing program services to individuals;*
- ✓ *preparation of program plans, budgets, and schedules;*
- ✓ *services related to accounting, audits, payroll, etc.; procurement activities;*
- ✓ *costs for goods and resources required for administration of the collaborative such as rental and purchase of equipment, utilities, office supplies, postage, rental and maintenance of office space, and public relations;*
- ✓ *preparing reports and other documents related to program requirements.*

Please see LCTS Decision Memo #97-d3, issued in July 1997, for general guidelines regarding administrative spending permitted with LCTS funds.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #98-R15

"Reminder"

The Collaborative receiving payment of LCTS funds from DHS is responsible for tracking and accounting of those funds. For example, on the LCTS base year report and the LCTS annual spending report the Collaborative must account for all LCTS funds received from DHS. All other LCTS reports must also account for all LCTS funds received from DHS.

If a partner who participates in the LCTS geographically overlaps another county, the two (or more) Collaboratives that serve the area must work together to assure that the families and children are served. Service delivery is not limited by geographic boundaries. If there is a debate, Collaboratives must work together to identify the local need for services in the area (example: using proportion of at-risk children, level of poverty, population, etc.) and how much funding is needed to provide the services. Then the Collaborative that has received the funds from DHS can accept proposals from the Collaborative that serves that area. This keeps the Collaborative who receives and distributes LCTS funds informed of total dollars spent and type of services delivered, so they can remain accountable for the funds.

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #98-R16

"Reminder"

*LCTS funds must be spent within 24 months of the receipt of the funds (see LCTS Memo #97-d4). This means 24 months from the time the funds were received **by the LCTS Fiscal Reporting & Payment Agent.***

NOTE: See also LCTS Memo #06-D8

Please keep this memo for reference. All LCTS Memos will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #98-R17

"Reminder"

Each agency or school district can only participate in one collaborative's timestudy even though an agency or school district may belong to multiple collaboratives.

It is the agency or school district's choice as to which collaborative they will choose for time study participation.

This policy is necessary to ensure that the time study results are consistent and that expenditure reporting (quarterly cost reports, base year reports, annual spending reports and the annual maintenance of effort test) is audit-proof. It also prevents double claiming, which is illegal.

Once an agency or school district has joined a collaborative's timestudy, the agency or school district may not transfer to another collaborative's timestudy without prior approval of both affected Collaboratives and the State.

Please keep this "Reminder" for reference. All LCTS "Decisions" and "Reminders" will have an identification number and will be published sequentially. If you have questions, refer to the *DHS Contacts for LCTS Questions* to determine whom to contact. Thank You.



LCTS Memo #02-R18

"Reminder"

LCTS participants must receive training that uses the approved training materials provided by Department of Human Services (DHS). LCTS Coordinators must ensure that all staff participating in the time study:

- *Receive full training on the complete set of activity codes provided by DHS*
- *Use these activity codes for determining, reporting, and recording random moments*
- *Do not use "quick reference cards" or "cheat sheets"*

This policy prevents short cuts, which may invalidate the results of the time study. The use of "cheat sheets", "quick reference cards" or alternative time study instructions may not be consistent with what can be included in the federally approved codes.

It is essential to the integrity of the federal claiming process that participants do not independently set standards for Title IV-E candidacy in order to prevent overly broad or narrow variations of the definitions or activity codes.

For example, it is not acceptable to develop alternative or additional training materials that:

- *Redefine "at risk child"*
- *List "indicators of risk"*
- *Reinterpret or abbreviate codes*

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