

Office of the State Controller
State-Mandated Costs Claiming Instructions No. 2018-01
Cal Grant: Opt-Out Notice and Grade Point Average Submission – Program No. 370
August 28, 2018
Revised September 1, 2020

In accordance with Government Code (GC) sections 17560 and 17561, eligible claimants may submit claims to the State Controller’s Office (SCO) for reimbursement of costs incurred for state-mandated cost programs. This document contains claiming instructions and forms that eligible claimants must use for filing claims for the Cal Grant: Opt-Out Notice and Grade Point Average Submission program. SCO issues these claiming instructions subsequent to the Commission on State Mandates (CSM) adopting the program’s Parameters and Guidelines (Ps & Gs). The [Ps & Gs](#) are an integral part of the claiming instructions and are located on CSM’s website.

On January 26, 2018, CSM adopted a Statement of Decision finding that the test claim legislation imposes a reimbursable state-mandated program upon school districts within the meaning of article XIII B, section 6 of the California Constitution and GC section 17514.

Exception

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

Eligible Claimants

Any school district, as defined in GC section 17519, with the exception of community college districts, is eligible to claim reimbursement for increased cost incurred as a result of this mandate. Charter schools are not eligible to claim reimbursement.

Reimbursement Claim Deadline

Pursuant to GC section 17560(a), annual reimbursement claims may be filed by **February 15** following the fiscal year in which costs were incurred. If the deadline falls on a weekend or holiday, claims are due the following business day. Claims filed after the deadline must be reduced by a late penalty. **Claims filed more than one year after the deadline will not be accepted.**

Penalty

- **Initial Reimbursement Claims**

When filed within one year of the initial filing deadline, claims are assessed a late penalty of 10% of the total amount of the initial claim without limitation pursuant to GC section 17561(d)(3).

- **Annual Reimbursement Claims**

When filed within one year of the annual filing deadline, claims are assessed a late penalty of 10% of the claim amount; not to exceed \$10,000, pursuant to GC section 17568.

Minimum Claim Cost

GC section 17564(a), states that no claim may be filed pursuant to sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**). However, a county superintendent of schools may submit a combined claim on behalf of school districts within their county if the combined claim exceeds **\$1,000**, even if the individual school district's claim does not each exceed \$1,000. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement will be allowed except as otherwise allowed by GC section 17564. The county superintendent of schools will determine if the submission of the combined claim is economically feasible and be responsible for disbursing the funds to each school district. These combined claims may be filed only when the county superintendent of schools is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible school district. All subsequent claims based upon the same mandate will only be filed in the combined form unless a school district provides a written notice of its intent to file a separate claim to the county superintendent of schools and to SCO at least 180 days prior to the deadline for filing the claim.

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating: "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

Audit of Costs

All claims submitted to SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if the claim was prepared in

accordance with the SCO's claiming instructions and the Ps & Gs adopted by CSM. If any adjustments are made to a claim, the claimant will be notified of the amount adjusted, and the reason for the adjustment.

On-site audits will be conducted by SCO as deemed necessary. Pursuant to GC section 17558.5(a), a reimbursement claim for actual costs filed by a claimant is subject to audit by SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for SCO to initiate an audit will commence to run from the date of initial payment of the claim.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to SCO on request.

Record Retention

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for SCO to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to SCO on request.

Claim Submission

Submit a signed original Form FAM-27 and one copy with required documents. **Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.**

[Mandated costs claiming instructions and forms](#) are available online at the SCO's website.

Use the following mailing addresses:

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

If delivered by other delivery services:

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

For more information, contact the Local Reimbursements Section by [email](#), by telephone at (916) 324-5729, or by writing to the address above.

CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION CLAIM FOR PAYMENT FORM		For State Controller Use Only (19) Program Number 00370 (20) Date Filed (21) LRS Input		Program 370
(01) Claimant Identification Number		Reimbursement Claim Data		
(02) Claimant Name		(22)	FORM 1, (04) A. 1. (e)	
County of Location		(23)	FORM 1, (04) A. 2. (e)	
Street Address or P.O. Box and Suite		(24)	FORM 1, (04) B. (e)	
City, State, and Zip Code		(25)	FORM 1, (06)	
(03)	Type of Claim	(26)	FORM 1, (07)	
(04)	(09) Reimbursement	(27)	FORM 1, (09)	
(05)	(10) Combined	(28)	FORM 1, (10)	
(06)	(11) Amended	(29)		
(07)	(12) Fiscal Year of Cost	(30)		
(08)	(13) Total Claimed Amount	(31)		
(14) Less: 10% Late Penalty		(32)		
(15) Less: Prior Claim Payment Received		(33)		
(16) Net Claimed Amount		(34)		
(17) Due from State		(35)		
(18) Due to State		(36)		

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code sections 17560 and 17561, I certify that I am the officer authorized by the school district or county office of education to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.

I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received, for reimbursement of costs claimed herein; claimed costs are for a new program or increased level of services of an existing program; and claimed amounts do not include charter school costs, either directly or through a third party. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer	Date Signed	
	Telephone Number	
Type or Print Name and Title of Authorized Signatory	Email Address	

(38) Name of Agency Contact Person for Claim	Telephone Number	
	Email Address	
Name of Consulting Firm/Claim Preparer	Telephone Number	
	Email Address	

Program 370	CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION CLAIM FOR PAYMENT INSTRUCTIONS	FORM FAM-27
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- (01) Enter the claimant identification number assigned by the State Controller's Office.
- (02) Enter claimant official name, county of location, street or postal office box address, city, state, and zip code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year in which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate Form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown on Form 1, line (11). The total claimed amount must exceed \$1,000; minimum claim must be \$1,001.
- (14) Initial reimbursement claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15**, or as specified in the claiming instructions following the fiscal year in which costs were incurred. Claims filed after the specified date must be reduced by a late penalty. Enter zero if the claim was filed on time. Otherwise, enter the result from the following penalty calculation formula:
 - Late Initial Reimbursement Claims: Form FAM-27, line (13) multiplied by 10%, without limitation; or
 - Late Annual Reimbursement Claims: Form FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.

Program 370	CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION CLAIM FOR PAYMENT INSTRUCTIONS (CONTINUED)	FORM FAM-27
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- (22) to (28) Bring forward the cost information as specified in the left-hand column of lines (22) through (28) for the reimbursement claim, e.g., Form 1, (04) A. 1. (e) means the information is located on Form 1, block (04), line A. 1., column (e). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. The indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. Completion of this data block will expedite the process.
- (29) to (36) Leave blank.
- (37) Read the statement of Certification of Claim. The claim must be signed and dated by the agency's authorized officer, and include their typed or printed name, 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 and attach the copy to the top of the claim package.)
- (38) Enter the name, telephone number, and email address of the agency contact person for the claim. If the claim was prepared by a consultant, type or print the name of the consulting firm, the claim preparer, telephone number, and email address.

SUBMIT A SIGNED ORIGINAL FORM FAM-27 AND ONE COPY WITH ALL OTHER FORMS 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**

PROGRAM 370	CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION CLAIM SUMMARY				FORM 1	
(01) Claimant		(02)		Fiscal Year 20 ___ /20 ___		
(03) Leave blank.						
Direct Costs		Object Accounts				
(04) Reimbursable Activities		(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Total
A. Provide a written Cal Grant opt-out notice pursuant to Education Code (EC) section 69432.9(d) as follows:						
1. Beginning July 1, 2015, provide written notice by October 15, 2015 and 2016, to all grade 12 pupils in the class of 2016 and class of 2017. (Reimbursable for fiscal years 2015-16 and 2016-17 only)						
2. Beginning January 1, 2017, provide written notice by January 1 to all grade 11 pupils, beginning with the class of 2018.						
B. Electronically submit the Grade Point Averages (GPAs) for all grade 12 pupils each academic year to the California Student Aid Commission (CSAC), except for pupils who opt out in accordance with EC section 69432.9(d), pursuant to EC section 69432.9(c)(2). <i>(See Form 1, Claim Summary Instructions for applicable fiscal year of claim.)</i>						
(05) Total Direct Costs						
Indirect Costs						
(06) Indirect Cost Rate		[Refer to Claim Summary Instructions]			%	
(07) Total Indirect Costs		[Line (05)(e) minus line (05)(d) minus \$ <input type="text"/>] times line (06)				
(08) Total Direct and Indirect Costs		[Line (05)(e) + line (07)]				
Cost Reduction						
(09) Less: Offsetting Revenues <i>(see Attachment A)</i>						
(10) Less: Other Reimbursements						
(11) Total Claimed Amount		[Line (08) minus {line (09) + line (10)}]				

PROGRAM 370	CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION CLAIM SUMMARY INSTRUCTIONS	FORM 1
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year in which costs were incurred.
- (03) Leave blank.
- (04) For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (g), to Form 1, block (04), columns (a) through (d), in the appropriate row. Total each row.

Note:

- *Developing an opt-out notice is not a reimbursable activity because CSAC has developed an opt-out notice form, which is available on its website.*
- *Calculating or certifying GPAs or to provide social security numbers to CSAC is not a reimbursable activity.*

- (05) Total columns (a) through (e).
- (06) Enter the approved indirect cost rate from the California Department of Education for the year that funds are expended.
- (07) From the Total Direct Costs, line (05)(e), deduct Total Fixed Assets, line (05)(d) and any other item excluded from the indirect cost distribution base in accordance with the California School Accounting Manual, Procedure 915. Enter zero if there are no exclusions. Multiply the result by the Indirect Cost Rate, line (06).
- (08) Enter the sum of Total Direct Costs, line (05)(e), and Total Indirect Costs, line (07).
- (09) If applicable, enter any offsetting revenue received by the claimant for this mandate from any state or federal source. The state and federal funds listed on Attachment A, **must** be identified as offsetting revenues. Complete Attachment A detailing all offsetting revenues.
- (10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funding, and other state funding that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) From the Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Revenues, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

PROGRAM 370	CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION OFFSETTING REVENUES DETAIL	ATTACHMENT A
(01) Claimant	(02)	Fiscal Year 20 ___ /20___
Offsetting Revenues		(a) Total
(03) Funding received under the College Readiness Block Grant (Education Code (EC) § 41580), if used for the Cal Grant: Opt-Out Notice and Grade Point Average Submission program.		
(04) List specific state and/or federal funding received and applied to the reimbursable activities. (Please provide a brief description of the funds)		
A. State Funding:		
1.		
2.		
3.		
4.		
5.		
<i>(04.1) Subtotal (State Funding)</i>		
B. Federal Funding:		
1.		
2.		
3.		
4.		
5.		
<i>(04.2) Subtotal (Federal Funding)</i>		
(05) Grand Total	[(line (03) + line (04.1) + line (04.2)]	

PROGRAM 370	CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION OFFSETTING REVENUES DETAIL INSTRUCTIONS	ATTACHMENT A
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Enter the total funding received under the College Readiness Block Grant (EC § 41580), if used for the Cal Grant: Opt-Out Notice and Grade Point Average Submission program.
- (04) A. On lines (04) A. 1. through 5., list any state funding received that will be deducted from the claim submitted for reimbursement. Enter the total costs for each applicable line in column (a) Total.
 - (04.1) Enter the sum of lines A. 1. through A. 5., column (a).
- (04) B. On lines (04) B. 1. through 5., list any federal funding received that will be deducted from the claim submitted for reimbursement. Enter the total costs for each applicable line in column (a) Total.
 - (04.2) Enter the sum of lines B. 1. through B. 5., column (a).
- (05) Total lines (03), (04.1), and (04.2). Carry the amount forward to Form 1, line (09).

PROGRAM 370	CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION ACTIVITY COST DETAIL	FORM 2
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(01) Claimant	(02) Fiscal Year 20__ / 20__
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. Provide a written Cal Grant opt-out notice pursuant to Education Code (EC) section 69432.9(d) as follows:

N/A 1. Beginning July 1, 2015, provide written notice by October 15, 2015 and 2016, to all grade 12 pupils in the class of 2016 and class of 2017.

2. Beginning January 1, 2017, provide written notice by January 1 to all grade 11 pupils, beginning with the class of 2018.

B. Electronically submit the GPAs for all grade 12 pupils each academic year to the California Student Aid Commission, except for pupils who opt out in accordance with EC section 69432.9(d), pursuant to EC section 69432.9(c)(2).

(04) Description of Expenses			Object Accounts			
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets
(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___						

PROGRAM 370	CAL GRANT: OPT-OUT NOTICE AND GRADE POINT AVERAGE SUBMISSION ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year in which costs were incurred.
- (03) Check the which indicates the activity being claimed. Check only one box per form. A separate Form 2 must be prepared for each applicable activity.
- (04) The following table identifies the type of information required to support reimbursable costs. To itemize costs for the activity box checked in block (03), enter each employee name, job classification, a brief description of the activities performed, productive hourly rate, actual time spent, fringe benefits, materials and supplies used, contract services, fixed assets, and training expenses. The descriptions required in column (04)(a) must be of sufficient detail to explain the cost of activities or items being claimed.

Object Accounts	Columns							Submit Supporting Documents with the Claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Salaries and Benefits	Employee Name and Job Classification	Hourly Rate	Hours Worked	Salaries equal Hourly Rate times Hours Worked				
	Activities Performed	Benefit Rate		Benefits equal Benefit Rate times Salaries				
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Costs equal Unit Cost times Quantity Used			
Contract Services	Name of Contractor and Specific Tasks Performed	Hourly Rate	Hours Worked and Inclusive Dates of Service			Costs equal Hourly Rate times Hours Worked or Total Contract Cost		Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost times Quantity	Usage				Costs equal Total Cost times Usage	Copy of Contract and/ or Invoices

- (05) Total line (04), columns (d) through (g) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail activity costs, number each page. Enter totals from line (05), columns (d) through (g) on Form 1, block (04), columns (a) through (d) in the appropriate row.