Office of the State Controller
State-Mandated Costs Claiming Instructions No. 2004-09
Differential Pay and Reemployment – Program No. 253
August 4, 2004
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 Differential Pay and Reemployment (DPR) 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 July 31, 2003, CSM adopted a Statement of Decision finding that Education Code sections 44977 and 44978.1 impose a reimbursable state-mandated program on school districts within the meaning of article XIIIB, 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 and block grant recipients are not eligible for reimbursement of claims.

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 must be filed in the combined form only 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.

DIFFERENTIAL PAY AND REEMPLOYMENT CLAIM FOR PAYMENT FORM	For State Controller Use Only (19) Program Number 00253 (20) Date Filed (21) LRS Input	Program 253

(01) Claimant Identification Number		Reimbursement Claim Data		
(02) Claimant Name		(22)	FORM 1, (03)	
County of Location		(23)	FORM 1, (04) A. 1. (f)	
Street Address or P.O. Box and Suite		(24)	FORM 1, (04) A. 2. (f)	
City, State, and Zip Code		(25)	FORM 1, (04) B. 1. (f)	
(03)	Type of Claim	(26)	FORM 1, (04) B. 2. (f)	
(04)	(09) Reimbursement	(27)	FORM 1, (06)	
(05)	(10) Combined	(28)	FORM 1, (07)	
(06)	(11) Amended	(29)	FORM 1, (09)	
(07)	(12) Fiscal Year of Cost	(30)	FORM 1, (10)	
(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 253	DIFFERENTIAL PAY AND REEMPLOYMENT CLAIM FOR PAYMENT INSTRUCTIONS	**FORM FAM-27**

(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 253	DIFFERENTIAL PAY AND REEMPLOYMENT CLAIM FOR PAYMENT INSTRUCTIONS (CONTINUED)	**FORM FAM-27**

(22) to (30) Bring forward the cost information as specified in the left-hand column of lines (22) through (30) for the reimbursement claim, e.g., Form 1, (04) A. 1. (f), means the information is located on Form 1, block (04), line A. 1, column (f). 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., 7.548% should be shown as 8. Completion of this data block will expedite the process.

(31) 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 253	DIFFERENTIAL PAY AND REEMPLOYMENT CLAIM SUMMARY	FORM 1

(01) Claimant	(02) Fiscal Year 20___ /20 ___

Claim Statistics

(03) Number of employees qualified for differential pay and reemployment	

Direct Costs	**Object Accounts**					
(04) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel	(f) Total
A. One-Time Activities						
1. Change the Process for Calculating the Five-Month Differential Pay Period						
2. Establish a Reemployment List						
B. On-going Activities						
1. Maintain a Reemployment List						
2. Process the Reemployment Paperwork						
(05) Total Direct Costs						

Indirect Costs

(06) Indirect Cost Rate	[Refer to Claim Summary Instructions]	%
(07) Total Indirect Costs	[Line (05)(f) minus line (05)(d) minus $ [ ]] times line (06)	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	

Cost Reduction

(09) Less: Offsetting Revenues		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) minus {line (09) + line (10)}]	

PROGRAM 253	DIFFERENTIAL PAY AND REEMPLOYMENT CLAIM SUMMARY INSTRUCTIONS	FORM 1

(01) Enter the name of the claimant.

(02) Enter the fiscal year in which costs were incurred.

(03) Enter the number of employees qualified for differential pay and reemployment in the fiscal year of claim.

(04) For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.

(05) Total columns (a) through (f).

(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)(f), deduct Total Fixed Assets, line (05)(d), and any other item excluded from 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)(f), 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. Submit a schedule detailing the revenue sources and amounts.

(10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.

(11) Subtract the sum of Offsetting Revenues, line (09), and Other Reimbursements, line (10), from Total Direct and Indirect Costs, line (08). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

PROGRAM 253	DIFFERENTIAL PAY AND REEMPLOYMENT ACTIVITY COST DETAIL	FORM 2

(01) Claimant	(02) Fiscal Year 20___ / 20___

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activities

☐ 1. Change the Process for Calculating the Five-Month Differential Pay Period

☐ 2. Establish a Reemployment List

B. On-going Activities

☐ 1. Maintain a Reemployment List

☐ 2. Process the Reemployment Paperwork

(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 or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel
(05) Total ☐ Subtotal ☐ Page: ___of___							

PROGRAM 253	DIFFERENTIAL PAY AND REEMPLOYMENT ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2

(01) Enter the name of the claimant.

(02) Enter the fiscal year for which costs were incurred.

(03) Check the box 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 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, supplies used, contract services, fixed assets, and travel 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)	(h)	
Salaries and Benefits	Employee Name and Job Classification	Hourly Rate	Hours Worked	Salaries equals Hourly Rate times Hours Worked					
	Activities Performed	Benefit Rate		Benefits equals Benefit Rate times Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Costs equals Unit Cost times Quantity Used				
Contract Services	Name of Contractor and Specific Tasks Performed	Hourly Rate	Hours Worked and Inclusive Dates of Service			Costs equals 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 equals Total Cost times Usage		Copy of Contract and/ or Invoices
Travel	Purpose of Trip, Name and Title, Destination, Departure Date, and Return Date	Per Diem Rate, Mileage Rate, and Travel Cost	Days, Miles, and Travel Mode					Costs equals Rate times Days or Miles	

(05) Total line (04), columns (d) through (h) and enter the sums 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 (h) to Form 1, block (04), columns (a) through (e) in the appropriate row.