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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 93 LCM-70

Date: June 30, 1993

Division: System Support and
Information Services

TO: Local District Commissioners

SUBJECT: Service Agreement Submission
Reduction of Reporting Requirements

ATTACHMENTS: NONE

References: 91 LCM-95 - 05/24/91 (Service Agreements and Service Agreement
Amendments)
90 LCM-107 - 07/24/90 (Letters of Intent)
91 LCM-96 - 05/28/91 (Letters of Notification)
HHS 45 CFR Part 95; USDA 7 CFR Part 277
APD Handbook (FNS Handbook 901)

Federal Regulations - HHS 45 CFR Part 95 and USDA 7 CFR Part 277 have established that State public assistance agencies are accountable for all ADP/EDP expenditures throughout a State undertaken in support of Federally funded public assistance programs. They establish the State as the single agency for approval of all requests for ADP/EDP equipment or services for which Federal Financial Participation (FFP) will be requested.

To decrease the procedural burden imposed on Local Social Service Districts, we are, with this LCM, no longer requiring that LSSDs submit their annual Service Agreements and Amendments to the State for prior review and approval. Beginning with the 1994 Service Agreement this review process will be conducted by each LSSD currently submitting an annual Service Agreement to the SDSS. While the LDSS will conduct the review and approval, the accountability and authority for Federal reporting purposes will remain with the State.

To be eligible for this procedural relief, a LSSD must have an approved 1993 Service Agreement on file with SDSS. If no approved 1993 Service Agreement exists, a complete Agreement should be developed according to the requirements of 91 LCM-95 and submitted to the SDSS for approval.

Beginning with the 1994 Agreement, the process for handling Service Agreements will be as follows:

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1. The LSSD will be required to complete the Agreement in accordance with 91 LCM-95. All LSSD requests for ADP services or equipment for which State and Federal financial participation will be requested must be approved in writing by the Commissioner of the LSSD.
2. The completed Service Agreement will be retained at the LSSD and will be available for post-audit purposes by Federal, State and the local municipality as required. The State reserves the right to disallow any and all claims not meeting a satisfactory audit.
3. Upon LSSD Commissioner approval, the LSSD will notify the SSIS Local District Proposal Review Section (Sharon Richman, OAS ID SR0170) that the Service Agreement has been approved and indicate the total dollar amount involved and the previous year's total. The total will be shared with the Office of Financial Management for claiming and the two figures will be compared as an indicator for post audit review. The following sentence must be included, "All requirements relative to the development of Service Agreements promulgated by the State DSS (91 LCM-95) have been adhered to and are reflected in the Service Agreement for (year)."
4. The costs of these Service Agreements will be claimed for reimbursement on the Schedule DSS-923-Cost Allocation-Schedule of Payments-Administrative Expenses Other than Salaries as part of the normal claiming process for the RF-2A claim package. The LSSD should use Object of Expense Code 14-EDP Services to record these expenditures. No EDP detail Supplemental 923 Schedule information will be required to be submitted with your claim any longer.

Any questions related to claiming matters should be directed to the Bureau of Local Financial Operations either the Upstate Office: Roland Levie at 1-800-342-4100, extension 4-7549, or the Metropolitan Office: Marvin Gold at 212-383-1733.

5. Service Agreements cover only operational activities. Any new initiative by a LSSD requires prior approval and will continue to be submitted utilizing an Advance Planning Document (APD) (FNS Handbook 901), Letter of Intent (LOI) (see 90 LCM-107) or a Letter of Notification (LON) (see 91 LCM-96) as appropriate. Once a new initiative has been approved and implemented, it can be added to the Service Agreement in subsequent years.

Thank you for your cooperation. Should you have any questions regarding the above, please contact Robert Scharg at 1-800-342-4100, extension 3-5159.

John J. DiPalermo
Deputy Commissioner
System Support and Information Services