# California Preschool Accounting Reporting Information System (CPARIS) Contract Earnings Calculations Guide

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## Glossary

Below is an alphabetical list of acronyms, initialisms, and terms that are frequently referenced throughout this document.

**CDE:** California Department of Education

**Contractor:** An entity that maintains a California State Preschool contract with the California Department of Education.

**CPKS:** California PreKindergarten and Family Literacy

**CSPP:** California State Preschool Program

**EENFS:** Early Education and Nutrition Fiscal Services

**FASD:** Fiscal and Administrative Services Division

**FY:** Fiscal Year

**LEA:**Local Education Agency

**MDO:** Minimum Days of Operation

**MRA:** Maximum Reimbursable Amount

## Introduction

The purpose of this document is to provide early education contractors with information they can use when reviewing the contract earnings calculations in CPARIS.

Contract earnings calculation types reviewed in this document:

* CSPP Contract Earnings Calculation (Projection)
* CSPP Contract Earnings Calculation (Final)
* CSPP Audited Contract Earnings Calculation
* CPKS Contract Earnings Calculation

CSPP contract earnings calculations are available in CPARIS beginning in FY 2022–23. CPKS contract earnings calculations are available beginning in FY 2023–24. Contractors should contact their fiscal analyst if they have questions about contract earnings calculations.

## CSPP Contract Earnings Calculation

*Education Code* (*EC*) Section 8246 requires the CDE to advance contract funds to CSPP contractors. EENFS advances contract funds through monthly apportionments, which are a fixed percentage of the contract’s MRA that may be reduced based on projected contract earnings calculations. Contract earnings calculations use data reported on the Enrollment, Attendance, and Fiscal Reports to project contract earnings through the end of the fiscal year. Contract earnings calculations are intended to produce a flow of funds that corresponds to the amount the contractor will earn through the end of the contract period.

Contract earnings calculations are available once the Authorized Representative has certified an Enrollment, Attendance, and Fiscal Report and the assigned fiscal analyst has reviewed and approved the report and associated calculation.

A new contract earnings calculation will be generated for each certified Enrollment, Attendance, and Fiscal Report. Revisions to any Enrollment, Attendance, and Fiscal Report, with an associated contract earnings calculation, will be replaced with a newly approved contract earnings calculation, and any prior versions will no longer be visible in CPARIS. It is recommended that contractors use the print to PDF function in the web browser to save all contract earnings calculations once available to ensure access to all prior versions.

There are two types of contract earnings calculations that can be generated during the contract year:

* **Projected Contract Earnings Calculation** – Associated with any certified Enrollment, Attendance, and Fiscal Report between July and May.
* **Final Contract Earnings Calculation** – Based on a certified June Enrollment, Attendance, and Fiscal Report.

The third type of contract earnings calculation is applicable to non-LEA contractors and becomes available once the audit has been approved by the Audits and Investigations Division (A&I) and the audit has been processed by the fiscal analyst. The fiscal analyst will create an Audited Enrollment, Attendance, and Fiscal Report, which will generate the audited contract earnings calculation.

* **Audited Contract Earnings Calculation** – Based on an acceptable audit submitted to the Audits & Investigations Division. Applicable only to non-LEA contractors.

## CSPP Contract Earnings Calculation (Projection)

### Navigating to the Contract Earnings Calculation (Projection)

Projected contract earnings calculations can be found in the Reporting/Certified Reports submenu.

On this page, users will see a list of all certified reports. This list can be filtered by fiscal year and agreement type. Each certified report is listed separately. To view a contract earnings calculation, click on the *Calculation* link in the *Earnings Calculations* column next to the relevant certified report.

### Submission and Report Information

The top of the contract earnings calculation will indicate:

* The username of the fiscal analyst who approved the report, as well as the date and time the calculation was approved.
* The report month upon which the calculation is based.
* The username of the Authorized Representative who certified the report, as well as the date and time of the report certification.
* The apportionment month (i.e. the specific month for which the contract earnings calculation is calculating a payment – for example, a September report, due on October 20, will calculate payment for December services).
* The most recently executed amendment and revision number.

### Contract Terms

The Contract Terms section contains the contract terms of the most recently executed amendment as well as information relevant to the calculation. It includes:

Maximum Reimbursable Amount (MRA)– The contract amount.

Apportionments Paid to Date– The total amount of the contract that has been paid to date.

Minimum Days of Operation (MDO**)** – The minimum days of operation for the contract, based on the approved program calendar.

Approved Start-up– A service-level exemption that has been approved by the CDE and represents the maximum amount that can be reimbursed by the contract.

Voluntary Temporary Transfer (VTT)/CSPP-CCTR Transfer Exception – An adjustment that impacts two items in the calculation. A VTT is a transfer between one contractor’s underearning contract and another contractor’s overearning contract; the transfer is temporary or only for one fiscal year. CSPP/CCTR transfers are transfers between one contractor’s CSPP and CCTR contracts. The amount reflected here may be a negative (when temporarily receiving funds) or a positive (when temporarily relinquishing funds). If a contractor participates in more than one transfer, the amount reflected in this field will be the net total amount of the transfers.

Contractors with a Preschool Reserve Account are limited to a maximum reserve of 15 percent of the total of their CSPP MRAs. The Exception line prevents the temporary increase or decrease to a contractor’s MRA from impacting their Preschool Reserve Account Cap or their total Exceptional Needs/Severely Disabled Set Aside.

Exceptional Needs/Severely Disabled Set Aside – Pursuant to *EC* Section 8208(c)(1), CSPP contractors are required to set aside five percent of funded enrollment for children with exceptional needs, including those that are severely disabled, as defined in *EC* Section 8205(ae). Exceptional Needs/Severely Disabled Set Aside is determined by adding the VTT/CSPP-CCTR Transfer Exception amount to the contract MRA, multiplying the result by five percent, then by the full-time exceptional needs adjustment factor of 2.4.

### Calculations from Reported Data

The Calculations from Reported Data section uses data from the certified Enrollment, Attendance, and Fiscal Report to calculate the Fiscal Year Projection Factor, the total certified enrollment percentage, and the total attendance percentage, which are later used to determine contract earnings and apportionment payments.

Actual Days of Operation – Reported Days of Operation.

FY Projection Factor – Determined by dividing the MDO by Actual Days of Operation to date from the report.

Total Certified Adjusted Days of Enrollment – Total Certified Adjusted Days of Enrollment from the report. If a contractor is reporting certified enrollment in multiple counties, this number will be the sum of all reported enrollment.

Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment – Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment from the report. This amount is included in the Total Certified Adjusted Days of Enrollment. If a contractor is reporting certified enrollment in these categories in multiple counties, this number will be the sum of all reported enrollment.

Total Non-Certified Adjusted Days of Enrollment – Total Non-Certified Adjusted Days of Enrollment from report. If a contractor is reporting non-certified enrollment in multiple counties, this number will be the sum of all reported non-certified enrollment.

Percent Certified Days of Enrollment – Determined by dividing the Total Certified Adjusted Days of Enrollment by the sum of Total Certified and Non-Certified Adjusted Days of Enrollment.

Total Attendance Percentage – Determined by dividing the Days of Attendance reported by the Total Certified Days of Enrollment. If a contractor is reporting in multiple counties, the information used is the sum of all attendance and enrollment.

Total Attendance Percentage with Flex Factor – Contracts are allowed a five percent flex factor for attendance. This five percent flex factor is applied as an allowance and is added to the Total Attendance Percentage, not to exceed 100%.

### Expense Calculations

The Expense Calculations section uses data from the Fiscal section of the Enrollment, Attendance, and Fiscal report to calculate the Net Adjusted Reimbursable Expenses.

Total Expenses – Reported Total Expenses.

Restricted Income– Reported Restricted Income. If multiple types of restricted income are reported, this number is the sum of all restricted income.

Transfer from Preschool Reserve Account – Reported Transfer from Preschool Reserve Account. This is the amount a contractor has indicated was transferred from the balance of their Preschool Reserve Account for expenses reimbursable to the contract.

Net Expenses – Determined by subtracting Restricted Income from Total Expenses.

Administrative Expenses – Reported Administrative Expenses.

Maximum Administrative Expenses Allowed – Determined by multiplying Net Expenses by 15 percent.

Excess Administrative Expenses – Determined by subtracting Maximum Administrative Expenses Allowed from reported Administrative Expenses. If reported Administrative Expenses do not exceed the Maximum Administrative Expenses Allowed, there are zero Excess Administrative Expenses.

Start-up Expenses – Reported Start-up Expenses.

Staff Training Expenses– Reported Staff Training Expenses.

Net Adjusted Expenses – Determined by subtracting the sum of Excess Administrative Expenses, reported Start-up Expenses, and reported Staff Training Expenses from Net Expenses. Excess administrative expenses are removed from the calculation as they are not allowable. Start-up and staff training expenses are considered one-time expenses that cannot be included in the projection. Once expenses have been projected, any reported start-up and staff training expenses will be added back in.

Net Adjusted Reimbursable Expenses – Determined by multiplying Net Adjusted Expenses by Percent Certified Days of Enrollment.

Projected FY Net Adjusted Reimbursable Expenses – Determined by multiplying Net Adjusted Reimbursable Expenses by the FY Projection Factor, adding any reported Start-up and Staff Training Expenses, and lastly subtracting reported Transfer from Preschool Reserve Account.

### County Service Earnings

The County Service Earnings section uses data from the Enrollment and Attendance section of the Enrollment, Attendance, and Fiscal Report to calculate county-specific service earnings, as well as the service earnings associated with Exceptional Needs/Severely Disabled enrollment. This section will display the name of the service county it is associated with. Contract earnings calculations for contractors who serve in more than one county will have a County Service Earnings section for each service county in which enrollment is reported.

County Total Certified Adjusted Days of Enrollment – Total Certified Adjusted Days of Enrollment from report associated with the displayed service county.

County Total Certified Exceptional Needs/Severely Disabled Adjusted Days of Enrollment from Report– Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment from report associated with the displayed service county. This amount is included in the County Total Certified Adjusted Days of Enrollment.

County Total Non-Certified Adjusted Days of Enrollment – Total Non-Certified Adjusted Days of Enrollment from the report associated with the displayed service county.

Service County Rate – The reimbursement rate of the displayed service county.

Actual County Service Earnings – Determined by multiplying the County Total Certified Adjusted Days of Enrollment by the Service County Rate.

Actual County Exceptional Needs/Severely Disabled Service Earnings – Determined by multiplying the County Total Certified ExceptionalNeeds/Severely Disabled Adjusted Days of Enrollment by the Service County Rate. This amount is included in the Actual County Service Earnings.

Projected FY Service Earnings – Determined by multiplying the Actual County Service Earnings by the FY Projection Factor.

Projected FY County Exceptional Needs/Severely Disabled Service Earnings – Determined by multiplying the Actual County Exceptional Needs/Severely Disabled Service Earnings by the FY Projection Factor. This amount is included in Projected FY Service Earnings.

### Exceptional Needs/Severely Disabled Service Level Exemption Calculation

The Exceptional Needs/Severely Disabled Service Level Exemption Calculation section is where the Exceptional Needs Severely Disabled Service Level Exemption Credit is calculated.

Total Projected FY Exceptional Needs/Severely Disabled Service Earnings – Sum of Projected FY County Exceptional Needs/Severely Disabled Service Earnings for all counties in which enrollment is reported.

Exceptional Needs Severely Disabled Service Level Exemption Credit – Determined by subtracting the Total Projected FY Exceptional Needs/Severely Disabled Service Earnings from the Exceptional Needs/Severely Disabled Set Aside. If the Total Projected FY Exceptional Needs/Severely Disabled Service Earnings equal or exceed the Exceptional Needs/Severely Disabled Set Aside, then the service level exemption credit is zero.

### Contract Earnings Summary

The Contract Earnings Summary section summarizes calculations from prior sections and displays the calculation of contract earnings and the apportionment payment.

MRA – From Contract Terms section.

Projected FY Net Adjusted Reimbursable Expenses with Exceptional Needs/Severely Disabled Service Level Exemption Credit – Sum of Projected FY Net Adjusted Reimbursable Expenses and Exceptional Needs/Severely Disabled Service Level Exemption Credit.

Total Attendance Percentage – From Calculations from Reported Data section.

Total Attendance Percentage with Flex Factor– From Calculations from Reported Data section.

Total Projected FY Service Earnings – Sum of Projected FY Service Earnings for all counties in which enrollment is reported.

Total Projected FY Service Earnings Adjusted for Attendance with Exceptional Needs/Severely Disabled Service Level Exemption – Determined by multiplying Total Projected FY Service Earnings by the Total Attendance Percentage with Flex Factor, then adding the Exceptional Needs Severely Disabled Service Level Exemption Credit.

Projected FY Contract Earnings – Sum of Projected FY Net Adjusted Reimbursable Expenses and the Exceptional Needs Severely Disabled Service Level Exemption Credit.

Family Fees for Certified Children– Reported Family Fees for Certified Children

Interest Earned on Apportionment Payments – Reported Interest Earned on Apportionment Payments.

Projected FY Family Fees– Determined by multiplying Family Fees for Certified Children by FY Projection Factor.

Projected FY Interest Earned on Apportionment Payments– Determined by multiplying Interest Earned on Apportionment Payments by FY Projection Factor.

Projected FY Adjusted Contract Earnings – Determined by subtracting the sum of Projected FY Family Fees + Projected FY Interest Earned on Apportionment Payments from the Projected FY Contract Earnings.

Projected FY Reimbursement– Determined by taking the lesser of the MRA or the Projected FY Adjusted Contract Earnings.

Projected Percentage of Contract Earnings – Determined by dividing the Projected FY Adjusted Contract Earnings by the MRA, not to exceed 100%.

Apportionments Paid to Date – The total amount of the contract that has been paid to date.

Apportionment Schedule Cumulative Percent – The maximum percentage of the Projected FY Reimbursement that may be apportioned for the month. The apportionment schedule can be found in the Fiscal Handbook on the CDE website at <https://www.cde.ca.gov/fg/aa/cd/>.

Calculated Apportionment **–** Determined by multiplying the Projected FY Reimbursement by the Apportionment Percentage and then subtracting Apportionments Paid to Date.

## CSPP Contract Earnings Calculation (Final)

### Navigating to the Contract Earnings Calculation (Final)

Final contract earnings calculations can be found in the Reporting/Certified Reports submenu.

On this page, users will see a list of all certified reports. This list can be filtered by fiscal year and agreement type. Each certified report is listed separately. To view a contract earnings calculation, click on the *Calculation* link in the *Earnings Calculations* column next to the relevant certified June report.

### Submission and Report Information

The top of the contract earnings calculation will indicate:

* The username of the fiscal analyst who approved the report, as well as the date and time the calculation was approved.
* The report month upon which the calculation is based.
* The username of the Authorized Representative who certified the report, as well as the date and time of the report certification.
* The apportionment month (i.e. the specific month for which the contract earnings calculation is calculating a payment – June reports, due on July 20, will calculate the final payment for June services).
* The most recently executed amendment and revision number.

### Contract Terms

The Contract Terms section contains the contract terms of the most recently executed amendment as well as information relevant to the calculation. It includes:

Maximum Reimbursable Amount (MRA)– The contract amount.

Apportionments Paid to Date– The total amount of the contract that has been paid to date.

Minimum Days of Operation (MDO) – The minimum days of operation for the contract, based on the approved program calendar.

Approved Start-up– A service-level exemption that has been approved by the CDE and represents the maximum amount that can be reimbursed by the contract.

Voluntary Temporary Transfer (VTT)/CSPP-CCTR Transfer Exception – An adjustment that impacts two items in the calculation. A VTT is a transfer between one contractor’s underearning contract and another contractor’s overearning contract; the transfer is temporary or only for one fiscal year. CSPP/CCTR transfers are transfers between one contractor’s CSPP and CCTR contracts. The amount reflected here may be a negative (when temporarily receiving funds) or a positive (when temporarily relinquishing funds). If a contractor participates in more than one transfer, the amount reflected in this field will be the net total amount of the transfers.

Contractors with a Preschool Reserve Account are limited to a maximum reserve of 15 percent of the total of their CSPP MRAs. The Exception line prevents that temporary increase or decrease to a contractor’s MRA from impacting their Preschool Reserve Account Cap or their total Exceptional Needs/Severely Disabled Set Aside.

Exceptional Needs/Severely Disabled Set Aside – Pursuant to *EC* Section 8208(c)(1), CSPP contractors are required to set aside five percent of funded enrollment for children with exceptional needs, including those that are severely disabled, as defined in *EC* Section 8205(ae). Exceptional Needs/Severely Disabled Set Aside is determined by adding the VTT/CSPP-CCTR Transfer Exception amount to the contract MRA, multiplying the result by five percent, then by the full-time exceptional needs adjustment factor of 2.4.

### Calculations from Reported Data

The Calculations from Reported Data section uses data from the certified Enrollment, Attendance, and Fiscal Report to calculate the Fiscal Year Projection Factor, the total certified enrollment percentage, and the total attendance percentage, which are later used to determine contract earnings and apportionment payments.

Actual Days of Operation – Reported Days of Operation.

Percent of MDO Operated – Determined by dividing the Actual Days of Operation by the MDO.

Total Certified Adjusted Days of Enrollment – Total Certified Adjusted Days of Enrollment from the report. If a contractor is reporting certified enrollment in multiple counties, this number will be the sum of all reported enrollment.

Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment – Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment from the report. This amount is included in the Total Certified Adjusted Days of Enrollment. If a contractor is reporting certified enrollment in these categories in multiple counties, this number will be the sum of all reported enrollment.

Total Non-Certified Adjusted Days of Enrollment – Total Non-Certified Adjusted Days of Enrollment from report. If a contractor is reporting non-certified enrollment in multiple counties, this number will be the sum of all reported non-certified enrollment.

Percent Certified Days of Enrollment – Determined by dividing the Total Certified Adjusted Days of Enrollment by the sum of Total Certified and Non-Certified Adjusted Days of Enrollment.

Total Attendance Percentage – Determined by dividing the Days of Attendance reported by the Total Certified Days of Enrollment. If a contractor is reporting in multiple counties, the information used is the sum of all attendance and enrollment.

Total Attendance Percentage with Flex Factor – Contracts are allowed a five percent flex factor for attendance. This five percent flex factor is applied as an allowance and is added to the Total Attendance Percentage, not to exceed 100%.

### Expense Calculations

The Expense Calculations section uses data from the Fiscal section of the Enrollment, Attendance, and Fiscal report to calculate the Net Adjusted Reimbursable Expenses.

Total Expenses – Reported Total Expenses.

Restricted Income– Reported Restricted Income. If multiple types of restricted income are reported, this number is the sum of all restricted income.

Transfer from Preschool Reserve Account – Reported Transfer from Preschool Reserve Account. This is the amount a contractor has indicated was transferred from the balance of their Preschool Reserve Account for expenses reimbursable to the contract.

Net Expenses – Determined by subtracting Restricted Income from Total Expenses.

Administrative Expenses – Reported Administrative Expenses.

Maximum Administrative Expenses Allowed – Determined by multiplying Net Expenses by 15 percent.

Excess Administrative Expenses – Determined by subtracting Maximum Administrative Expenses Allowed from reported Administrative Expenses. If reported Administrative Expenses do not exceed the Maximum Administrative Expenses Allowed, there are zero Excess Administrative Expenses.

Start-up Expenses – Reported Start-up Expenses.

Staff Training Expenses– Reported Staff Training Expenses.

Net Adjusted Expenses – Determined by subtracting the sum of Excess Administrative Expenses, reported Start-up Expenses, and reported Staff Training Expenses from Net Expenses. Excess administrative expenses are removed from the calculation as they are not allowable. Start-up and staff training expenses are considered one-time expenses that cannot be included in the projection. Once expenses have been projected, any reported start-up and staff training expenses will be added back in.

Net Adjusted Reimbursable Expenses – Determined by multiplying Net Adjusted Expenses by Percent Certified Days of Enrollment.

### County Service Earnings

The County Service Earnings section uses data from the Enrollment and Attendance section of the Enrollment, Attendance, and Fiscal Report to calculate county-specific service earnings, as well as the service earnings associated with Exceptional Needs/Severely Disabled enrollment. This section will display the name of the service county it is associated with. Contract earnings calculations for contractors who serve in more than one county will have a County Service Earnings section for each service county in which enrollment is reported.

County Total Certified Adjusted Days of Enrollment – Total Certified Adjusted Days of Enrollment from report associated with the displayed service county.

County Total Certified Exceptional Needs/Severely Disabled Adjusted Days of Enrollment from Report – Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment from report associated with the displayed service county. This amount is included in the County Total Certified Adjusted Days of Enrollment.

County Total Non-Certified Adjusted Days of Enrollment – Total Non-Certified Adjusted Days of Enrollment from the report associated with the displayed service county.

Service County Rate – The reimbursement rate of the displayed service county.

Actual County Service Earnings – Determined by multiplying the County Total Certified Adjusted Days of Enrollment by the Service County Rate.

Actual County Exceptional Needs/Severely Disabled Service Earnings – Determined by multiplying the County Total Certified ExceptionalNeeds/Severely Disabled Adjusted Days of Enrollment by the Service County Rate. This amount is included in the Actual County Service Earnings.

### Exceptional Needs/Severely Disabled Service Level Exemption Calculation

The Exceptional Needs/Severely Disabled Service Level Exemption Calculation section is where the Exceptional Needs Severely Disabled Service Level Exemption Credit is calculated.

Total Actual FY Exceptional Needs/Severely Disabled Service Earnings – Sum of Actual FY County Exceptional Needs/Severely Disabled Service Earnings for all counties in which enrollment is reported.

Exceptional Needs Severely Disabled Service Level Exemption Credit – Determined by subtracting the Total Actual FY Exceptional Needs/Severely Disabled Service Earnings from the Exceptional Needs/Severely Disabled Set Aside. If the Total Actual FY Exceptional Needs/Severely Disabled Service Earnings equal or exceed the Exceptional Needs/Severely Disabled Set Aside, then the service level exemption credit is zero.

### Contract Earnings Summary

The Contract Earnings Summary section summarizes calculations from prior sections and displays the calculation of contract earnings and the apportionment payment.

MRA – From Contract Terms section.

Total Adjusted MRA– Determined by first subtracting Start-up Expenses from the MRA, multiplying the result by the Percent of MDO Operated, and finally adding Start-up Expenses back in.

FY Net Adjusted Reimbursable Expenses with Exceptional Needs/Severely Disabled Service Level Exemption Credit – Sum of FY Net Adjusted Reimbursable Expenses and Exceptional Needs/Severely Disabled Service Level Exemption Credit.

Total Attendance Percentage with Flex Factor– From Calculations from Reported Data section.

Actual FY Service Earnings – Sum of Actual FY Service Earnings for all counties in which enrollment is reported.

Actual FY Service Earnings Adjusted for Attendance – Determined by multiplying Actual FY Service Earnings by the Total Attendance Percentage with Flex Factor, then adding the Start-up Expenses, Staff Training Expenses, and Exceptional Needs Severely Disabled Service Level Exemption Credit.

Actual FY Contract Earnings – Sum of Actual FY Net Adjusted Reimbursable Expenses and the Exceptional Needs Severely Disabled Service Level Exemption Credit.

Family Fees for Certified Children– Reported Family Fees for Certified Children.

Interest Earned on Apportionment Payments – Reported Interest Earned on Apportionment Payments.

Actual FY Adjusted Contract Earnings – Determined by subtracting Family Fees for Certified Children and Interest Earned on Apportionment Payments from the Actual FY Contract Earnings.

Actual FY Reimbursement– Determined by taking the lesser of the MRA or the Actual FY Adjusted Contract Earnings.

Transfer to Preschool Reserve– Applicable to contractors with an open Preschool Reserve Account. If the CDE determines a transfer to the Preschool Reserve Account is appropriate, the amount indicated here must be transferred into the Preschool Reserve Account.

Actual Percentage of Contract Earnings – Determined by dividing the Actual FY Reimbursement by the MRA, not to exceed 100%.

Apportionments Paid to Date – The total amount of the contract that has been paid to date.

Apportionment Schedule Cumulative Percent – The maximum percentage of the Projected FY Reimbursement that may be apportioned for the month. The apportionment schedule can be found in the Fiscal Handbook on the CDE website at <https://www.cde.ca.gov/fg/aa/cd/>.

Calculated Apportionment **–** Determined by multiplying the Actual FY Reimbursement by the Apportionment Percentage and then subtracting Apportionments Paid to Date.

### Recommended Billing

The Recommended Billing section summarizes the unearned reimbursement and billing amounts.

Total Preliminary Billing Amount– Determined by subtracting the Actual FY Reimbursement and Transfer to Preschool Reserve Account from the Apportionments Paid to Date.

Unearned Reimbursement– The total billing amount above the adjusted MRA.

Preliminary Interest Billing– The portion of the Total Preliminary Billing Amount related to reported Interest Earned on Apportionment Payments.

Preliminary Contract Billing– The portion of the Total Preliminary Billing Amount not related to reported Interest Earned on Apportionment Payments.

## CSPP Audited Contract Earnings Calculation

*(Applicable to Non-LEA Contractors)*

### Navigating to the Audited Contract Earnings Calculation

Audited contract earnings calculations can be found in the Reporting/Audit Reports submenu.

On this page, users will see a list of all audited reports, including audited Preschool Reserve Account Activity Reports. This list can be filtered by fiscal year and agreement type. Each certified report is listed separately. To view an audited contract earnings calculation, click on the *Calculation* link in the *Earnings Calculations* column next to the relevant audit report.

### Submission and Report Information

The top of the contract earnings calculation will indicate:

* The username of the fiscal analyst who approved the report, as well as the date and time the calculation was approved.
* The report month upon which the calculation is based.
* The username of the fiscal analyst who certified the report, as well as the date and time of the report certification.
* The apportionment month, which for audited reports will always be June.
* The most recently executed amendment and revision number.

### Contract Terms

The Contract Terms section contains the contract terms of the most recently executed amendment as well as information relevant to the calculation. It includes:

Maximum Reimbursable Amount (MRA)– The contract amount.

Apportionments Paid to Date– The total amount of the contract that has been paid to date.

Minimum Days of Operation (MDO) – The minimum days of operation for the contract.

Approved Start-up– A service-level exemption that has been approved by the CDE and represents the maximum amount that can be reimbursed by the contract.

Voluntary Temporary Transfer (VTT)/CSPP-CCTR Transfer Exception – An adjustment that impacts two items in the calculation. A VTT is a transfer between one contractor’s underearning contract and another contractor’s overearning contract; the transfer is temporary or only for one fiscal year. CSPP/CCTR transfers are transfers between one contractor’s CSPP and CCTR contracts. The amount reflected here may be a negative (when temporarily receiving funds) or a positive (when temporarily relinquishing funds). If a contractor participates in more than one transfer, the amount reflected in this field will be the net total amount of the transfers.

Contractors with a Preschool Reserve Account are limited to a maximum reserve of 15 percent of the total of their CSPP MRAs. The Exception line prevents that temporary increase or decrease to a contractor’s MRA from impacting their Preschool Reserve Account Cap or their total Exceptional Needs/Severely Disabled Set Aside.

Exceptional Needs/Severely Disabled Set Aside – Pursuant to *EC* Section 8208(c)(1), CSPP contractors are required to set aside five percent of funded enrollment for children with exceptional needs, including those that are severely disabled, as defined in *EC* Section 8205(ae). Exceptional Needs/Severely Disabled Set Aside is determined by adding the VTT/CSPP-CCTR Transfer Exception amount to the contract MRA, multiplying the result by five percent, then by the full-time exceptional needs adjustment factor of 2.4.

### Calculations from Reported Data

The Calculations from Reported Data section uses data from the certified Enrollment, Attendance, and Fiscal Report to calculate the Fiscal Year Projection Factor, the total certified enrollment percentage, and the total attendance percentage, which are later used to determine contract earnings and apportionment payments.

Actual Days of Operation – Reported Days of Operation.

Percent of MDO Operated – Determined by dividing the Actual Days of Operation by the MDO.

Total Certified Adjusted Days of Enrollment – Total Certified Adjusted Days of Enrollment from the report. If a contractor is reporting certified enrollment in multiple counties, this number will be the sum of all reported enrollment.

Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment – Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment from the report. This amount is included in the Total Certified Adjusted Days of Enrollment. If a contractor is reporting certified enrollment in these categories in multiple counties, this number will be the sum of all reported enrollment.

Total Non-Certified Adjusted Days of Enrollment – Total Non-Certified Adjusted Days of Enrollment from report. If a contractor is reporting non-certified enrollment in multiple counties, this number will be the sum of all reported non-certified enrollment.

Percent Certified Days of Enrollment – Determined by dividing the Total Certified Adjusted Days of Enrollment by the sum of Total Certified and Non-Certified Adjusted Days of Enrollment.

Total Attendance Percentage – Determined by dividing the Days of Attendance reported by the Total Certified Days of Enrollment. If a contractor is reporting in multiple counties, the information used is the sum of all attendance and enrollment.

Total Attendance Percentage with Flex Factor – Contracts are allowed a five percent flex factor for attendance. This five percent flex factor is applied as an allowance and is added to the Total Attendance Percentage, not to exceed 100%.

### Expense Calculations

The Expense Calculations section uses data from the Fiscal section of the Enrollment, Attendance, and Fiscal report to calculate the Net Adjusted Reimbursable Expenses.

Total Expenses – Reported Total Expenses.

Restricted Income– Reported Restricted Income. If multiple types of restricted income are reported, this number is the sum of all restricted income.

Transfer from Preschool Reserve Account – Reported Transfer from Preschool Reserve Account. This is the amount a contractor has indicated was transferred from the balance of their Preschool Reserve Account for expenses reimbursable to the contract.

Nonreimbursable Costs (State Use Only)– Amount of costs that have been identified as nonreimbursable by the CDE.

Net Expenses – Determined by subtracting Restricted Income and Nonreimbursable Costs from Total Expenses.

Administrative Expenses – Reported Administrative Expenses.

Maximum Administrative Expenses Allowed – Determined by multiplying Net Expenses by 15 percent.

Excess Administrative Expenses – Determined by subtracting Maximum Administrative Expenses Allowed from reported Administrative Expenses. If reported Administrative Expenses do not exceed the Maximum Administrative Expenses Allowed, there are zero Excess Administrative Expenses.

Start-up Expenses – Reported Start-up Expenses.

Staff Training Expenses– Reported Staff Training Expenses.

Net Adjusted Expenses – Determined by subtracting the sum of Excess Administrative Expenses, reported Start-up Expenses, and reported Staff Training Expenses from Net Expenses. Excess administrative expenses are removed from the calculation as they are not allowable. Start-up and staff training expenses are considered one-time expenses that cannot be included in the projection. Once expenses have been projected, any reported start-up and staff training expenses will be added back in.

Net Adjusted Reimbursable Expenses – Determined by multiplying Net Adjusted Expenses by Percent Certified Days of Enrollment.

### County Service Earnings

The County Service Earnings section uses data from the Enrollment and Attendance section of the Enrollment, Attendance, and Fiscal Report to calculate county-specific service earnings, as well as the service earnings associated with Exceptional Needs/Severely Disabled enrollment. This section will display the name of the service county it is associated with. Contract earnings calculations for contractors who serve in more than one county will have a County Service Earnings section for each service county in which enrollment is reported.

County Total Certified Adjusted Days of Enrollment – Total Certified Adjusted Days of Enrollment from report associated with the displayed service county.

County Total Certified Exceptional Needs/Severely Disabled Adjusted Days of Enrollment from Report– Total Certified Severely Disabled/Exceptional Needs Adjusted Days of Enrollment from report associated with the displayed service county. This amount is included in the County Total Certified Adjusted Days of Enrollment.

County Total Non-Certified Adjusted Days of Enrollment – Total Non-Certified Adjusted Days of Enrollment from the report associated with the displayed service county.

Service County Rate – The reimbursement rate of the displayed service county.

Actual County Service Earnings – Determined by multiplying the County Total Certified Adjusted Days of Enrollment by the Service County Rate.

Actual County Exceptional Needs/Severely Disabled Service Earnings – Determined by multiplying the County Total Certified ExceptionalNeeds/Severely Disabled Adjusted Days of Enrollment by the Service County Rate. This amount is included in the Actual County Service Earnings.

### Exceptional Needs/Severely Disabled Service Level Exemption Calculation

The Exceptional Needs/Severely Disabled Service Level Exemption Calculation section is where the Exceptional Needs Severely Disabled Service Level Exemption Credit is calculated.

Total Actual FY Exceptional Needs/Severely Disabled Service Earnings – Sum of Actual FY County Exceptional Needs/Severely Disabled Service Earnings for all counties in which enrollment is reported.

Exceptional Needs Severely Disabled Service Level Exemption Credit – Determined by subtracting the Total Actual FY Exceptional Needs/Severely Disabled Service Earnings from the Exceptional Needs/Severely Disabled Set Aside. If the Total Actual FY Exceptional Needs/Severely Disabled Service Earnings equal or exceed the Exceptional Needs/Severely Disabled Set Aside, then the service level exemption credit is zero.

### Contract Earnings Summary

The Contract Earnings Summary section summarizes calculations from prior sections and displays the calculation of contract earnings and the apportionment payment.

MRA – From Contract Terms section.

Total Adjusted MRA– Determined by first subtracting Start-up Expenses from the MRA, multiplying the result by the Percent of MDO Operated, and finally adding Start-up Expenses back in.

FY Net Adjusted Reimbursable Expenses with Exceptional Needs/Severely Disabled Service Level Exemption Credit – Sum of FY Net Adjusted Reimbursable Expenses and Exceptional Needs/Severely Disabled Service Level Exemption Credit.

Total Attendance Percentage with Flex Factor– From Calculations from Reported Data section.

Actual FY Service Earnings – Sum of Actual FY Service Earnings for all counties in which enrollment is reported.

Actual FY Service Earnings Adjusted for Attendance – Determined by multiplying Actual FY Service Earnings by the Total Attendance Percentage with Flex Factor, then adding the Start-up Expenses, Staff Training Expenses, and Exceptional Needs Severely Disabled Service Level Exemption Credit.

Actual FY Contract Earnings – Sum of Actual FY Net Adjusted Reimbursable Expenses and the Exceptional Needs Severely Disabled Service Level Exemption Credit.

Family Fees for Certified Children– Reported Family Fees for Certified Children.

Interest Earned on Apportionment Payments – Reported Interest Earned on Apportionment Payments.

Actual FY Adjusted Contract Earnings – Determined by subtracting Family Fees for Certified Children and Interest Earned on Apportionment Payments from the Actual FY Contract Earnings.

Actual FY Reimbursement– Determined by taking the lesser of the MRA or the Actual FY Adjusted Contract Earnings.

Transfer to Preschool Reserve– Applicable to contractors with an open Preschool Reserve Account. If the CDE determines a transfer to the Preschool Reserve Account is appropriate, the amount indicated here must be transferred into the Preschool Reserve Account.

Actual Percentage of Contract Earnings – Determined by dividing the Actual FY Reimbursement by the MRA, not to exceed 100%.

Apportionments Paid to Date – The total amount of the contract that has been paid to date.

Apportionment Schedule Cumulative Percent – The maximum percentage of the Projected FY Reimbursement that may be apportioned for the month. The apportionment schedule can be found in the Fiscal Handbook on the CDE website at <https://www.cde.ca.gov/fg/aa/cd/>.

Calculated Apportionment **–** Determined by multiplying the Actual FY Reimbursement by the Apportionment Percentage and then subtracting Apportionments Paid to Date.

### Recommended Billing

The Recommended Billing section summarizes the unearned reimbursement and billing amounts.

Total Billing Amount– Determined by subtracting the Actual FY Reimbursement and Transfer to Preschool Reserve Account from the Apportionments Paid to Date.

Unearned Reimbursement– The total billing amount above the adjusted MRA.

Interest Billing– The portion of the Total Billing Amount related to reported Interest Earned on Apportionment Payments.

Contract Billing– The portion of the Total Billing Amount not related to reported Interest Earned on Apportionment Payments.

## CPKS Contract Earnings Calculation

CPKS contracts are support contracts that are paid according to reported costs. As with CSPP contracts, CPKS contracts are advanced an initial 25% of the contract MRA; however, CPKS earnings are not projected, and subsequent payments are based upon reported expenses.

A new contract earnings calculation will be generated for each certified Support Contract Expense Report. Revisions to any Support Contract Expense Report, with an associated contract earnings calculation, will be replaced with a newly approved contract earnings calculation and any prior versions will no longer be visible in CPARIS. It is recommended that contractors use the print to PDF function in the web browser to save all contract earnings calculations once available to ensure access to all prior versions.

### Navigating to the Contract Earnings Calculation

Contract earnings calculations can be found in the Reporting/Certified Reports submenu.

On this page, users will see a list of all certified reports. This list can be filtered by fiscal year and agreement type. Each certified report is listed separately. To view a contract earnings calculation, click on the *Calculation* link in the *Earnings Calculations* column next to the relevant certified June report.

### Submission and Report Information

The top of the contract earnings calculation will indicate:

* The username of the fiscal analyst who approved the report, as well as the date and time the calculation was approved.
* The report month upon which the calculation is based.
* The username of the Authorized Representative who certified the report, as well as the date and time of the report certification.
* The apportionment month (i.e. the specific month for which the contract earnings calculation is calculating a payment – June reports, due on July 20, will calculate the final payment for June services).
* The most recently executed amendment and revision number.

### Contract Terms

The Contract Terms section contains the contract terms relevant to the calculation:

Maximum Reimbursable Amount (MRA)– The contract amount.

### Expense Calculations

The Expense Calculations section uses data from the certified Support Contract Expenses Report to display the contract earnings information.

Total Expenses – Reported Total Expenses.

Restricted Income – Reported Restricted Income.

Nonreimbursable Costs (State Use Only)– Amount of costs that have been identified as nonreimbursable by the CDE.

Net Expenses – Determined by subtracting Restricted Income and Nonreimbursable Costs from Total Expenses.

Administrative Expenses – Reported Administrative Expenses.

Maximum Administrative Expenses Allowed – Determined by multiplying Net Expenses by 15 percent.

Excess Administrative Expenses – Determined by subtracting Maximum Administrative Expenses Allowed from reported Administrative Expenses. If reported Administrative Expenses do not exceed the Maximum Administrative Expenses Allowed, there are zero Excess Administrative Expenses.

Net Adjusted Expenses – Determined by subtracting the Excess Administrative Expenses from Net Adjusted Expenses.

Interest Earned on Apportionment Payments – Reported Interest Earned on Apportionment Payments.

Net Reimbursable Expenses – Determined by subtracting Interest Earned on Apportionment Payments from Net Adjusted Expenses.

### Contract Earnings Summary

The Contract Earnings Summary section summarizes the contract earnings and the apportionment payment.

Apportionments Paid to Date – The total amount of the contract that has been paid to date.

Percentage of Contract Earnings – Determined by dividing the Net Reimbursable Expenses by the MRA, not to exceed 100%.

Calculated Apportionment **–** Determined by subtracting the Apportionments Paid to Date from the Net Reimbursable Expenses.