

BUDGET LETTER

SUBJECT: COOPERATIVE WORK AGREEMENTS	NUMBER: 03-12
REFERENCES: CHAPTER 364, STATUTES OF 2000 GOVERNMENT CODE SECTION 16304 AND 16304.3	DATE ISSUED: June 2, 2003
	SUPERSEDES:

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

In response to individual state departments' concerns regarding the use of Cooperative Work Agreements (CWAs), the Department of Finance (Finance), under the authority of Government Code Section 13070, initiated an evaluative study of CWAs, which resulted in the enactment of Chapter 364, Statutes of 2000. This Budget Letter (BL) provides instructions for approval of CWAs and requires that requests for approval must be submitted to Finance **no later than June 16, 2003**.

Background

Government Code Section 16304 stipulates the period for which an appropriation is available for encumbrance, defines certain appropriations as available "without regard to fiscal year," and identifies appropriations exempt from limitations on the period of availability. Included in such exemptions are "appropriations made for cooperative work under specific agreement or contract" (Section 16304(c)).

Chapter 364, Statutes of 2000 amended Government Code Section 16304 and added Government Code Section 16304.3 to define cooperative work agreements, establish the parameters for use of these agreements, and require Finance approval.

Definition and Criteria for Finance approval

A CWA is a binding contract or agreement between multiple parties, including the State and other governmental agencies or private nonprofit organizations, for work which cannot be completed for valid and substantial reasons during the period of time for which funding is available for liquidation consistent with Chapter 364, Statutes of 2000. A CWA must meet all of the following criteria:

1. The CWA has been approved by Finance.
2. The contracted work to be completed is consistent with the intent of the original appropriation.
3. The CWA is funded only from local assistance appropriations.
4. Only that portion of the appropriation already encumbered that is approved by Finance shall be available to complete the work specified in the contract or agreement; any unencumbered or disencumbered balance shall revert to the fund of origin consistent with standard State accounting practices.
5. The unliquidated balance of the approved CWA shall revert to the fund of origin no later than eight years from the date of original appropriation.
6. This approval process does not apply to cooperative work agreements entered into prior to January 1, 2001.

Finance Approval

Complete the attached form (DF 600) to request Finance approval of a CWA to extend the liquidation period. The form must include the following:

- Extension of liquidation period (if less than 8 years);
- Parties to agreement;
- Purpose of project;
- Certify that the project is consistent with the original scope and purpose of the appropriation;
- Reason for delay; and
- Identify any impediments to completion, if any.

Requests for approval of Cooperative Work Agreements must be submitted to your Finance Budget Analyst **no later than June 16, 2003**.

Future requests for approval of CWAs are due to Finance no later February 1 in the last year of availability for liquidation of an appropriation

If you have any questions regarding this BL, please contact your Finance budget analyst.

/s/ Yoshie Fujiwara

Yoshie Fujiwara
Program Budget Manager

Attachment

Upcoming Budget Letters

- Office Revolving Fund Disbursements

**Request for
 Cooperative Work Agreement
 Approval
 (Whole Dollars)**

DEPARTMENT:	ORG CODE:	DATE OF SUBMITTAL:
LOCAL ASSISTANCE APPROPRIATION/ITEM NUMBER:	INITIAL PROJECT AMOUNT:	REQUESTED EXTENSION OF LIQUIDATION PERIOD (Number of years requested, if less than 8 years):
YEAR OF APPROPRIATION:	PROJECT BALANCE:	
PROJECT TITLE:		
PARTIES TO AGREEMENT:		
PURPOSE OF PROJECT:		
IS PROJECT CONSISTENT WITH THE ORIGINAL SCOPE AND PURPOSE OF THE APPROPRIATION? IF NOT, PLEASE EXPLAIN:		
REASON FOR DELAY:		
IDENTIFY ANY IMPEDIMENTS TO COMPLETION:		
OTHER COMMENTS:		
I hereby certify that the project is consistent with the original scope and purpose and will be completed within the requested period of liquidation.		
Approved by Chief Fiscal Officer:		DATE:
Department of Finance:	DATE:	<input type="checkbox"/> Approved <input type="checkbox"/> Denied
cc: State Controller's Office (original) Department Department of Finance		