

SAM—MISCELLANEOUS ACCOUNTING PROCEDURES

FEDERAL INDIRECT COST RECOVERIES

8755.2

(Revised 10/2016)

For state departments that receive federal funds, Government Code section [13332.01](#) and [13332.02](#) require the recovery of SWCAP costs from the federal government and to transfer the [SWCAP](#) recoveries to the General Fund (GF). In accordance with SAM section 8755.1, these transfers are due within 30 days after the end of each quarter. In order to meet this objective and substantiate recovery amounts, departments must first prepare an Indirect Cost Rate Proposal, a Cost Allocation Plan, or Public Assistance Cost Allocation Plan as prescribed in SAM section 8756 and 8756.1.

To transfer SWCAP recoveries, departments are required to complete a Transaction Request (TR), form CA 504 and send it to the State Controller's Office ([SCO](#)) for processing. The TR must include the quarterly SWCAP amount by fiscal year to be transferred and a brief explanation in the legal authority and reason for request section. The Illustration below includes a Sample TR showing how to transfer recoveries from the Federal Trust Fund to the GF.

8755.2 Illustration (Sample TR, CA 504)