

Formula error may be costly

Written by Deb Egenberger
Wednesday, 20 October 2010 19:24 -

County learns of computer glitch.

LEXINGTON—Computers are not perfect.

Neither are computer programs or the people who make them.

It's possible Dawson County could be learning this lesson in an expensive way.

After the county changed a year ago from Maximus Inc. to MGT of America for administration of the county's allocation plan, MGT found an error in the reporting system formula that had been used by the clerk of the district court for the past nine years.

Cost allocation is a system of identifying and reporting reimbursable costs associated with federal programs such as child support collection and enforcement.

Direct and indirect expenses are calculated, reported to the state and reimbursed on a percentage.

Bret Schlyer of MGT told Dawson County commissioners on Friday about the error he found in the formula built into the district court's computer program.

Over the past nine years, it has allowed approximately \$20,000 too much per year to be reimbursed.

"Honestly, we're still trying to figure out what's going on and what's going to have to happen to fix it," Schlyer said.

Formula error may be costly

Written by Deb Egenberger

Wednesday, 20 October 2010 19:24 -

The issue has affected counties statewide and Schlyer called it a methodology issue with the prior vendor.

After meeting with the state and Maximus representatives, Schlyer said there has yet to be any resolution.

“The state is not showing its hand yet,” he said, “and there’s no telling, really, when that will happen.”

Schlyer said in similar cases, the federal government has gone back to the last audit of the program, which was five years ago, and corrected the error from there meaning the county could potentially be asked to pay back \$100,000.

The state, on the other hand, could possibly look back the entire nine years.

“Speculation is that there has already been enough of a hit to the counties because of the economy that the state won’t ask to have all that money paid back unless the feds require it,” Schlyer said.

When asked if the previous vendor holds any responsibility, Schlyer said

Find the complete story in our print edition. Receive the entire issue of the Gothenburg Times on-line in PDF format each Wednesday for only \$25 per year. Call 308-537-3636 to subscribe.