



CDSS

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DEPARTMENT OF SOCIAL SERVICES

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December 3, 2008

ALL COUNTY INFORMATION NOTICE NO. I-83-08

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP COORDINATORS

SUBJECT: FOOD STAMP PROGRAM (FSP) NONASSISTANCE FOOD STAMP
RESTRICTED ACCOUNT COVERSHEET AND AGREEMENT

REFERENCE: ALL COUNTY LETTER (ACL) NO. 08-11, CALIFORNIA WORK
OPPORTUNITY AND RESPONSIBILITY TO KIDS ACT (CalWORKs)
AND FOOD STAMP PROGRAM (FSP) CHANGES IN ASSET
EXCLUSION RULES EFFECT JANUARY 1, 2000; ACL 06-31
IMPLEMENTATION OF FOOD STAMP SIMPLIFICATION OPTIONS
EFFECTIVE, OCTOBER 1, 2006; FOOD STAMP REAUTHORIZATION
ACT OF 2002; (PUBLIC LAW 107-171 OF MAY 13, 2002); MANUAL OF
POLICIES AND PROCEDURES (MPP) SECTION 63-501.3(r) and MPP
89-130; ALL COUNTY INFORMATION NOTICE (ACIN) I-40-06;
ACIN I-69-06, CORRECTION TO ACL 06-31; ACIN I-96-06; ASSEMBLY BILL
1078, CHAPTER 60, STATUTES OF 2007.

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

The Farm Security and Rural Investment Act (Farm Bill of 2008) made certain options available to states to simplify and improve the Food Stamp Program (FSP). One option allowed the FSP to exclude Restricted Accounts (RAs) as a resource just as they are excluded as property in the CalWORKs program. RAs are excluded as a resource when households save money for specific purposes, such as buying a home to live in, starting a business, or for education/job training. Implementation of RAs in the FSP was effective on November 1, 2006 with the release of All County Letter 06-31, Implementation of Food Stamp Simplification Options.

The purpose of this notice is to transmit new Food Stamp (FS) RA forms, the FS 28 Coversheet and FS 28 Agreement, for use with Nonassistance Food Stamp (NAFS) households. The RA Coversheet and RA forms were designed to be utilized by the county worker to help NAFS households understand the rules, responsibilities and documentation the household is required to obtain when requesting a RA. County Welfare Departments will no longer need to rely on the CalWORKs RA forms to establish RA accounts for NAFS households.

Attached are the Restricted Account Coversheet (FS 28), Restricted Account Agreement Part A (FS 28A), and the Restricted Account Agreement Part B (FS 28B). These forms also are modified to remove the \$5,000 savings limit, which was effective January 1, 2008 (refer to ACL 08-11).

Description of Forms

- Restricted Account Coversheet (FS 28)

The FS 28 is an informational form and must be given to all households requesting a RA. It explains what a RA is and the rules for owning an account. The form also describes the purposes for RAs, how to report withdrawals, what constitutes an allowable withdrawal, and what is required to verify a RA.

- Restricted Account Agreement Part A (FS 28A)

This form is intended to inform the household of the RA rules and responsibilities by having the Head of Household or Authorized Representative initial each item on the form to signify that they understand what is involved with ownership of a RA. They also state through their signature or mark that they have read the Coversheet (FS 28).

- Restricted Account Agreement Part B (FS 28B)

This form is used to identify the account designated as a RA.

Camera-Ready Copies and Translations

For camera-ready copies of the English language version of the above forms, contact the CDSS Forms Management Unit at (916) 657-1907. The English version can also be accessed immediately at the CDSS web page below via the Internet. When all translations of the forms are completed per MPP Section 21-115.2, including Spanish forms, they will be posted on an ongoing basis and can also be accessed via the Internet. The Internet address is as follows: http://www.dss.cahwnet.gov/cdssweb/FormsandPu_271.htm.

If you have any questions regarding this notice, please contact Sharon Campbell of the Food Stamp Policy Implementation Unit at (916) 654-0737 or via e-mail at sharon.campbell@dss.ca.gov.

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

Attachments

FOOD STAMP PROGRAM RESTRICTED ACCOUNT COVERSHEET

IMPORTANT TO KNOW

A RESTRICTED ACCOUNT IS:

An account in a bank, credit union, etc. where a family who is receiving food stamps can keep money to be spent for only the following allowable expenses:

- Buying a home to live in;
- Starting a business; or
- Education or job training for the account holder and his/her dependents. (Dependents are those who are or could be claimed as dependents on the account holder's federal income taxes.)

Before opening a restricted account, you may want to have cash and other resources (such as bank accounts, stocks, real estate, etc.) not exceeding your resource limit available for your use. Here's why:

If you use any of the funds in your restricted account(s) to pay for emergencies, even when the emergency is due to a death or life-threatening situation, the withdrawal will count towards the resource limit of \$2,000 or \$3,000 (if there is at least one person in the household who is disabled or who is age 60 or older).

RULES FOR A RESTRICTED ACCOUNT:

- You must be receiving food stamp benefits at the time you set up the account.
- More than one restricted account is allowed.
- There is not a limit on the maximum amount of savings in a restricted account.
- Funds in all restricted accounts do not count against your family's resource limit.
- You must sign a Restricted Account Agreement **before** an account can be considered a Restricted Account.
- You can only spend the funds on an allowable expense.
- You must keep the funds, and any interest earned in a restricted account(s) **separate** from any other account.
- Interest earned on the Restricted Account(s) must be deposited directly into the account(s).
- You must complete a Restricted Account Agreement for each Restricted Account.
- If you have a restricted account and go off food stamp benefits, the funds may be counted against your property and resources if you reapply for benefits.

REPORTING WITHDRAWALS● **Quarterly Reporting Households**

- Withdrawal of funds during the quarter, do not have to be reported until your next income report is due.
- The county will reassess your resources with receipt of the quarterly report and decide if the withdrawal was for an allowable expense. If your resources are below the resource limit (\$2,000/\$3,000), you will remain eligible for benefits if otherwise eligible.

● **Change Reporting Households**

- A withdrawal made from your Restricted Account must be reported within 10 days of the date the funds were withdrawn.
- The county will look at the resource limit within 10 days of the report.
- The reason for your withdrawal will determine continuing eligibility.
- If your resources are below the resource limit (\$2,000/\$3,000) you will remain eligible for benefits if otherwise eligible.

EXPENSES● **Purchase Of A Home To Live In:**

You can spend Restricted Account funds on:

- Deposits, fees, down payment, principal payment
- Closing costs
- Repairs and fixtures

You cannot spend Restricted Account funds on:

- Furniture purchases
- Household goods

● **Education Or Job Training For The Account Holder(s) And His/Her Dependent(s):**

You can spend Restricted Account funds on:

- Fees, tuition, books, school supplies, equipment, special clothing needs
- Student housing and meals
- Cost of transportation to and from school/vocational training
- Child care services needed to attend school

EXPENSES CONTINUED:● **Starting Up A New Business:**

You can spend Restricted Account funds on:

- Purchase, repair, and upkeep of business equipment
- Tools, uniforms, other protective or required clothing, and shoes
- Payment on loan principal and interest for business assets or durable goods
- Rent and utility payments for office or floor space
- Employee salaries
- Inventory, shipping, and delivery costs
- Business fees, taxes, insurance, bookkeeping or other professional services

You cannot spend Restricted Account funds on:

- Personal expenses, such as entertainment

PROOF

You must give proof to the county when setting up a Restricted Account and withdrawal of funds from the Restricted Account(s).

● **Some Examples Of Proof Of Establishing And/Or Withdrawing Funds Include The Following:**

- Passbook, bank statement or receipt from a bank, credit union etc. that shows the name and address of the bank and the names on the account(s), account number(s), and
- All account balances and activity since the date you signed the Restricted Account Agreement

● **Some Examples Of Proof To Show How You Spent The Funds Include:**

- Cancelled check
- Signed statement from the provider of goods or services that shows the type and amount of expense(s) paid
- A receipt
- Restricted Account bank balance statement

FOOD STAMP PROGRAM RESTRICTED ACCOUNT AGREEMENT PART A

CASE NAME	CASE NUMBER
COUNTY WORKER NAME	WORKER NUMBER

Read and initial each of the rules below.

Initial	I Understand:
	Funds must be kept in a financial institution, such as a bank, credit union, savings and loan, etc., and all funds in my Restricted Account must be kept separate from any other account.
	I must give proof of account information. Some examples of account information include: <ul style="list-style-type: none"> ● Bank statement or receipt from a bank, credit union etc. that shows the name and address of the bank ● All account balances and activity since the date you signed the Restricted Account Agreement ● The name(s) on the account(s)
	I understand some examples of proof of how I spent funds withdrawn from the Restricted Account(s), include the following: <ul style="list-style-type: none"> ● Cancelled check(s) ● Signed statement(s) from the provider (s) of good or services that shows the type and amount of the expense(s) paid ● Receipt(s)
	This Restricted Account Agreement stops: <ul style="list-style-type: none"> ● When I don't give the worker proof about the Restricted Account ● When my family is discontinued from food stamp benefits ● When the Restricted Account is closed ● If the Restricted Account law changes
	There is not a limit on the maximum amount of savings in a restricted account. I can have more than one restricted account, and funds in all restricted accounts do not count against my family's resource limit.
	If my food stamps stop for any reason, and if I reapply for food stamps, and there is a break in benefits, my total countable resources, including any money in the Restricted Account(s), cannot be more than the \$2,000/\$3,000 resource limit. I must enter into a new Restricted Account Agreement at application to start a new Restricted Account. A Restricted Account Agreement is required if there is a break in aid.
	If funds from my Restricted Account(s) are withdrawn and are not spent for an allowable expense, even when I have expenses for a death or life-threatening emergency, the withdrawn amount will count toward the resource limit and the county will re-evaluate all resources.
	The need to have resources close to my \$2,000 resource limit (\$3,000 if there is at least one household member who is disabled/age 60 or older) for emergencies or other expenses before I start a Restricted Account.
	If I report income and household changes quarterly and withdraw funds during the quarter, I am required to report the withdrawal on the next income report that is due. If I am not a Quarterly Reporting household, I must report withdrawals within 10 days of the withdrawal.
	Interest earned on my Restricted Account(s) must be deposited directly into the account(s). If interest is sent to me, I must put it back into the Restricted Account.
	Money saved in a Restricted Account can only be spent for one or more allowable expenses directly related to: <ul style="list-style-type: none"> ● Purchase of a home that I will live in ● Starting up a new business ● Education or job training for the account holder and his/her dependent(s)

Certification

I have read the coversheet. I understand the rules and my responsibilities as initialed above for starting and keeping a Restricted Account, and the need to have resources close to my \$2,000 resource limit or \$3,000 (if there is at least one household member who is disabled or who is age 60 or older) for emergencies or other expenses before I start a **Restricted Account**. I will ask my worker if I am not sure what is an allowable expense, what proof I need, or when the proof must be given to the county.

SIGNATURE OR MARK OF HEAD OF HOUSEHOLD OR AUTHORIZED REPRESENTATIVE	DATE
SIGNATURE OR MARK OF WITNESS AND/OR INTERPRETER	DATE

FOOD STAMP PROGRAM RESTRICTED ACCOUNT AGREEMENT PART B

CASE NAME	CASE NUMBER
COUNTY WORKER NAME	WORKER NUMBER

You must fill in the information below when you start the Restricted Account. Sign, date, and give the original of this Agreement to the county with proof of the account.

ACCOUNT HOLDER(S) NAME(S) ON THE ACCOUNT		
NAME AND ADDRESS OF BANK, ETC.	ACCOUNT NUMBER	CURRENT BALANCE
SIGNATURE OR MARK OF HEAD OF HOUSEHOLD OR AUTHORIZED REPRESENTATIVE		DATE

County Use Section

I certify that the household member or authorized representative signing this form has been given a copy of the Restricted Account Coversheet and this Agreement. The individual has stated he/she understands the rules and the responsibilities for starting, keeping, and ending a Restricted Account(s).

SIGNATURE OF COUNTY WORKER	WORKER NUMBER	DATE
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