

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



March 23, 1981

ALL-COUNTY INFORMATION NOTICE I- 35-81

TO: ALL COUNTY WELFARE DIRECTORS

ATTENTION: QUALITY CONTROL STAFF

SUBJECT: REVISED TREATMENT OF A UAM CONTRIBUTION FOR QUALITY CONTROL PURPOSES
(North Coast Coalition, et al vs. Woods)

REFERENCE:

As a result of a Preliminary Injunction issued in the referenced case it is necessary to revise QC review procedures for the treatment of contributions by an Unrelated Adult Male (UAM). The counties were advised via All County Letter No. 80-64 dated 10/30/80 of the injunction which enjoins the operation of EAS Manual Sections 44-113.5 and 44-133.7. The injunction was effective only on a prospective basis; therefore, the revised QC procedures will apply to new applicants for the November 1980 reviews and to ongoing cases beginning with the December 1980 reviews.

UAM Contribution (Element 352)

During the review of the county's case record, look for statements by the UAM and the client which indicate what, if any, portion of the UAM contribution is actually available for use by the FBU. Income to the FBU from a UAM contribution is to be disregarded when (1) the contribution is only the amount the UAM and AFDC mother have specifically agreed constitutes his share of the cost-of-living arrangement; (2) the UAM has specifically designated the contribution be used only for his needs and/or expenses; (3) a partial item of need is provided in-kind by the UAM.

During the home visit the QC reviewers should determine the actual arrangement as of the income month; i.e., second prior month in ongoing cases or concurrent month in new cases. This should be done by obtaining signed statements that specify the arrangement agreed to by the UAM and the AFDC mother. Although a signed statement from both the AFDC mother and the UAM is preferred, one signature will suffice. Any other documentation showing the actual arrangement should also be included in the case review.

The preliminary Injunction does not preclude the consideration of voluntary contributions by the UAM for the needs of the FBU, (under the general income definition of EAS 44-101). It also does not relieve the UAM of the required financial contribution in the amount of \$185 (\$182 effective 1/1/81), pursuant to 43-109.1. All voluntary contributions by the UAM to the FBU will be treated as unearned income, and we no longer allow a deduction for his food and personal needs. Also, as before, if a portion of the UAM's contribution is for his child's needs, that portion is not income to the FBU.

Examples follow which should help to clarify the changes in procedure:

EXAMPLE #1:

The QC reviewer determines from the home visit that the UAM and AFDC mother have agreed his contribution of \$190 is for his share of the rent, utilities, and food. In this situation, there is no income to the FBU.

Computation follows:

\$190	UAM contribution
<u>-190</u>	UAM's designated share of H/H expense
Ø	Income to FBU

EXAMPLE #2:

The QC reviewer determines from the home visit that the UAM and AFDC mother have agreed that \$190 of his total \$230 contribution is for his share of the rent, utilities, and food. In this situation, there is income to the FBU.

Computation follows:

\$230	UAM contribution
<u>-190</u>	UAM's designated share of H/H expense
\$ 40	Income to FBU

EXAMPLE #3:

The QC reviewer determines from the home visit that the UAM has specifically designated his \$285 contribution be used as follows: (1) \$185 is for his needs (e.g., rent, food); (2) \$100 is for his car payment for which the AFDC mother makes out a check or money order for him. In this situation, there is no income to the FBU, provided the analyst can verify that the money given to the AFDC mother by the UAM was for the UAM's expenses and not available for use by the FBU.

Computation follows:

\$285	UAM contribution
-185	Designated for his needs
<u>-100</u>	Designated for his expenses
Ø	Income to FBU

EXAMPLE #4:

The QC reviewer determines from the home visit that the UAM has a child who is not in the FBU. The UAM has designated that of his \$225 contribution (1) \$185 is for his needs; (2) \$40 is for the needs of his child. In this situation, there is no income to the FBU.

Computation follows:	\$225	UAM contribution
	-185	Designated for his needs
	<u>-40</u>	Designated for his child's needs
	<u>0</u>	Income to FBU

EXAMPLE #5:

The QC reviewer determines from the home visit that the UAM pays to the landlord \$300 of the \$384 total rent as his contribution. There is no income to the FBU as the UAM is providing a partial item of need. Rent is used only as an example; it could be any need item listed in EAS 44-115.8.

EXAMPLE #6:

The QC reviewer determines from the home visit that the UAM pays the entire \$384 rent directly to the landlord. In this situation, the income to the FBU is the lesser of the in-kind table amount for the number of people in the FBU or the prorata share of the net market value or cost of the item. For this example, assume the household consists of the UAM, the AFDC mother, and her two aided children.

Computation follows:

- determine FBU's prorata share of the rent
 $\$384 \text{ (rent)} \times \frac{3}{4} = \$288 \text{ (FBU's prorata share)}$
- determine in-kind value of housing for FBU size per chart -
 $\text{FBU (3)} = \$152 \text{ } (\$149, \text{ effective } 1/1/81)$
- income to the FBU is the lesser of \$288 and \$152
- income is \$152.

EXAMPLE #7:

The QC reviewer determines from the home visit that the UAM and AFDC mother have no specified arrangement for the use of his \$185 contribution and he has not designated any portion for his needs. In this situation the income to the FBU is the total amount contributed as we no longer deduct the value of food for one and \$5.

The examples given are not all inclusive, but are intended as a reference. The QC reviewers should document all pertinent information in the case record and resolve any discrepancies arising from the home visit. The QC reviewers should continue to look for possible misuse of AFDC funds.

If you have any questions regarding these procedures, please contact the appropriate quality control regional or district manager per All County Information Notice I-133-79.

Sincerely,



F.E. REICH
Deputy Director
Planning and Review Division

cc: CWDA