

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 24, 1989

ALL-COUNTY INFORMATION NOTICE NO. I-07-89

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: ADVANCING POLICY

The purpose of this letter is to provide to Counties the State Department of Social Services' (SDSS) advancing policy for both assistance funds and administrative funds.

The policy contained in this letter was developed by a joint County (County Welfare Directors' Association [CWDA] Fiscal Committee) and State task force.

The reasons for formalizing this policy include: (1) promoting better communication with the Counties; (2) a better alignment of advances to actual expenditures (Federal regulations require funds to be used within three days of receipt); (3) simplifying the advancing percentages used each month; and (4) reducing the number of schedules the State uses for advancing to the Counties.

Assistance Funds Advancing Policy:

- o Methodology for determining individual County advances:
  - a) A statewide estimate is developed for each month by the Department's Estimates Branch. The estimate is based on caseload data.
  - b) Total the most recent months' expenditures by County.
  - c) Divide each County's monthly expenditures by the total monthly expenditures of all 58 Counties. This provides the basis for prorating the statewide estimate to each County, resulting in the gross advance amount.
  - d) The amount reported as Absent Parent Recoupment (APR), if applicable to that program, from the corresponding month of the previous year is used as the estimated APR for each County for the advance month.
  - e) The gross advance for each County is offset by the APR resulting in the net advance amount.
  - f) Compare the statewide total, for the Federal share, to the appropriate grant award available; adjust to the available grant if necessary.

- o The Aid to Families with Dependent Children (AFDC) Family Group (FG) and Unemployed (U) and Refugee Demonstration Program (RDP) FG and U advances are normally in two increments per month.

First Advance - 60 percent is issued on the last work day of the month prior to the County disbursement month.

Second Advance - 40 percent is issued one working day before the 15th of the month.

- o The AFDC Foster Care (FC), Refugee Cash Assistance (RCA)/General Assistance (GA) and Adoption Assistance Programs are 100 percent advanced on the last work day of the month prior to the County disbursement.
- o Adjustments of actual expenditures to advances are completed four months after the claim month.
- o Adjustments are included in the first advance.
- o If a claim is not received prior to when the adjustment is scheduled (i.e., four months after the claim month), zero expenditures will be assumed and the advance recouped.

A waiver may be requested for extenuating circumstances. The request must be in writing to the Chief, Accounting and Systems Bureau, and submitted no later than 30 days prior to the adjustment month.

- o In determining which programs are advanced, the following criteria is used:
  - a) Expenditures for a given program must exceed \$2.0 million per quarter statewide, combined Federal and State share.
  - b) No Federal deferrals or other circumstances exist that would preclude an advance process.

#### Administrative Funds Advancing Policy:

- o Methodology for determining individual County advances:
  - a) A statewide estimate for each month is developed by taking one-twelfth of what was estimated for the year and approved in the Department's budget for each program that is advanced.
  - b) Total the most recent four quarters of expenditures by County.
  - c) Divide each County's four quarters of expenditures by 12 for an average monthly expenditure amount.

- d) Total the average monthly expenditure by County.
  - e) Divide each County's average monthly expenditure by the total monthly expenditure of all 58 Counties. This provides the basis for prorating the statewide estimate to each County resulting in the advance amount.
  - f) Compare the statewide total, for the Federal share, to the appropriate grant award available; adjust to the available grant if necessary.
- o The advance for all programs except Food Stamps (FS) and Greater Avenues for Independence (GAIN), are issued in one increment to the 18 designated small Counties (based on those Counties that are exempt from submitting Annual Time Reporting Plan [ATRP's]), and normally in two increments to all other Counties.
    - First Advance - 100 percent is issued on the fifth day of each month to the 18 designated small Counties. 60 percent is issued to all other Counties on the fifth day of each month.
    - Second Advance - 40 percent is issued on the 20th day of each month to those Counties receiving 60 percent in the first advance.
  - o For Food Stamps and GAIN, 100 percent of the advance is made on the 20th day of each month.
  - o Adjustments of actual expenditures to advances are completed five months after the claiming quarter.
  - o Adjustments are included in the first advance.
  - o If a claim is not received prior to when the adjustment is scheduled (i.e., five months after the claiming quarter) zero expenditures will be assumed and the advance recouped.
 

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- a) Expenditures for a given program must exceed \$2.0 million per quarter statewide, combined Federal and State share.
- b) No Federal deferrals or other circumstances exist that would preclude an advance process.

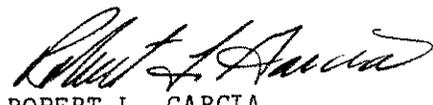
The State will consider all recommendations for changes to this stated policy. As circumstances change or Counties believe a change is warranted, please document your recommendation and forward them to:

State Department of Social Services  
Accounting and Systems Bureau  
744 P Street, MS 13-72  
Sacramento, CA 95814

The recommendations will be analyzed and discussed with the CWDA Fiscal Committee for possible implementation.

We have also implemented a process of forwarding information bulletins to the County Fiscal Contact. These bulletins will provide information when problems, changes, etc., arise that will affect advances and/or reimbursements for either assistance or administrative funds.

If you have any questions, please contact Mr. James L. Miller, Chief, Accounting and Systems Bureau at (916) 445-0686.



ROBERT L. GARCIA  
Deputy Director  
Administration