



CDSS

JOHN A. WAGNER  
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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EDMUND G. BROWN JR.  
GOVERNOR

January 31, 2011

ALL COUNTY LETTER (ACL) NO. 11-08

TO: ALL COUNTY WELFARE DIRECTORS  
ALL TITLE IV-E AGREEMENT TRIBES  
ALL CONSORTIA PROJECT MANAGERS  
ALL WELFARE-TO-WORK PROJECT MANAGERS

SUBJECT: RECORDS RETENTION

REFERENCE: ACL NO. 06-33

REASON FOR THIS TRANSMITTAL

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

This ACL is a reminder of the legal requirements for records retention and the identification of certain records, which require extended retention periods.

A. Public Assistance Records

The California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) sets forth various retention periods for public assistance records. Generally, the regulations require that all public assistance (23-353), social service (10-119.2), and administrative claiming (25-815.38) records and their supporting documents be retained for three years from the date the state submits the last expenditure report to the federal Department of Health and Human Services (DHHS).

For statewide Electronic Data Processing projects sponsored or supervised by CDSS, the starting date of retention is the day on which the state submits its final expenditure report to the federal government. This process occurs after the state and federal government have certified completion of the entire (not a project component or consortia) project and the project is officially functioning statewide in the Maintenance and Operations mode.

Case record material must be retained for three years after the date the last state expenditure report has been made to DHHS for the period the records were last used to document eligibility. The MPP Sections 23-353 through 23-356 set forth the requirements for certain records, which have retention periods that vary from the general rule. Some records require retention periods of more than three years, while the regulations must be reviewed for a complete listing.

The following are the most common occurrences:

1. Records and their supporting documents must be retained when there is an open federal or state audit. This also includes those federal audits in progress and pending issuance of final reports listed on Attachment I, those unresolved federal audits listed on Attachment II, and the State Controller's Office (SCO) audits listed on Attachment IV.\* Counties are to inform contractors providing social services to retain all necessary records for audits that have not been resolved/closed.
2. Case records in which criminal or civil litigation was involved are to be retained for three years after the final claim is submitted for federal reimbursement. These records include those that were used in the determination of eligibility, including denials for the amount of retroactive benefits. Other records in the case must be retained in accordance with the requirements for public assistance records specified in this letter. Attachment V lists court cases involving CDSS, which require the extended retention period.
3. Form ABCD 278L, List of Authorizations to Start, Change, or Stop Aid Payments (or its equivalent), bearing the original initials or the original signature of the delegated county employee who authorized the specific action, is identified as one of the records and supporting documents that must be retained in accordance with the retention period for the case record material.
4. The county shall retain Form ABCD 278L, or its equivalent, for a period of ten years following closure in all cases where notification to do so by the Child Support Agency has been received.
5. County welfare warrants must be retained for five years. **Warrant registers must be retained for five years unless an imaged record of the register has been made.**
6. While not required by regulation, it is desirable that those Aid to Families with Dependent Children (AFDC)/California Work Opportunity and Responsibility to Kids (CalWORKs) case records and their supporting documents identified by CDSS as federal sample Quality Control (QC) cases containing an error be retained until the federal sanction process is resolved for the applicable Federal Fiscal Year (FFY). See Attachment VI.
7. Records necessary to sustain an intentional program violation (IPV) disqualification should be retained through the life of the individuals.

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\*Records retention periods vary among unresolved state audits. See special instructions at the beginning of each category of SCO audits listed in Attachment IV.

8. Federal and/or state law and regulations require 60-month time limit on the receipt of Welfare-to-Work (WTW) services and aid, and provide for exceptions to the time limit requirements. Therefore, counties are required to track CalWORKs recipients' time in services and on aid. Welfare case record documentation that support the tracking of time in services and on aid for CalWORKs recipients must be retained and transmitted to the statewide automated time limit tracking (Welfare Data Tracking Implementation Project system). Case records must be retained until the system is validated for completeness and accuracy. The CDSS will instruct counties when this period has ended. Please refer to ACL 01-03 and All County Information Notice (ACIN) I-29-03 for the specific time limit information that must be retained.

NOTE: Effective December 1, 2004, the 18 or 24-month time limit on receipt of WTW services was eliminated in accordance with changes in state law. From that date forward, case records pertaining to the 18 or 24-month time limit need only be retained for the regular retention timeframe, if they relate to another matter requiring extended retention.

Other records need not be retained in the case file as long as sufficient records/verifications are retained to meet federal QC requirements for the AFDC/CalWORKs (AFDC QC Manual Section 3000) and CalFresh (formerly known as the Food Stamp program) (Food and Nutrition Service [FNS] QC Handbook 310, Chapter 5).

9. Documents (i.e. photocopies) such as birth certificates and divorce papers provided by the recipient to establish eligibility may be purged (MPP Section 48-001.112) provided that there is a written record of the type of evidence and its pertinent content in conformance with QC requirements. This notation would normally be made in the case narrative and shall also contain the following detail:
  - a. The type and source of document, date (processed, signed, received, or sent), any identification/serial numbers, and the volume and page numbers, if applicable.
  - b. Where the original document is located, such as a government office, if appropriate.
  - c. Any other pertinent information for QC purposes.

NOTE: Original documents received should have been returned to the applicant/recipient. The county may choose to retain essential and non-essential documents in the case records in lieu of the documentation and purging discussed above. Retention would ensure that all necessary information is in the case file.

10. Documents that were never used to document eligibility may be destroyed provided that they have no potential of being used to take action on a case, including good cause determination or fair hearing. For example, a note from an applicant canceling a meeting may be needed as evidence, should you determine that a denial is appropriate based on noncooperation. However, once the eligibility determination is made and documented, the note would be of no value and may be destroyed.
11. Records that were used to document eligibility may be destroyed provided that three years have passed since the last state expenditure report for that period has been submitted to DHHS. These records must be retained longer when there are unresolved audits\* or court cases.
12. While not required by regulation, it is desirable that those cases identified by CDSS as federal sample QC cases containing an error should be retained until the federal sanction process is resolved for the applicable FFY. See Attachment VI.
13. Attachment III lists closed audit records, which may be flagged for destruction as indicated on the attachment.

B. CalFresh Records

There are two separate retention requirements for CalFresh program records located in the CDSS MPP. The regulations regarding the retention of public assistance, social service, and administrative claiming records and their supporting documents are located in Sections 23-353, 10-119.2, and 25-815.38. MPP Sections 23-353 through 23-356 set forth the requirements for records that have retention periods that vary from the general rule.

Program records are to be retained for a period of three years from the month of origin. Fiscal records and accountable documents are to be retained for three years from the date of fiscal or administrative closure. This means that records such as, but not limited to, transaction receipts, master issuance files, records-for-issuance for each month, authorization documents, cashier's daily reports, Notices of Change, Form FNS-250s (Food Coupon Accountability Report), Household Issuance Record cards, and tally sheets shall be retained for three years from origination. However, any documents or records that are involved in any billing or claim shall be retained for three years from the date of fiscal or administrative closure.

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\*See footnote on Page Two.

For example, FNS-250s that do not result in a billing against the state agency shall be retained three years from the month of origin. However, FNS-250s that result in a billing must be retained for three years from the date that obligations for or against the federal government have been liquidated.

To illustrate this point further, if an FNS-250 originated prior to April 2004 had fiscal liabilities that were not settled until July 2006, then that FNS-250 cannot be destroyed until August 2009. On the other hand, if the same FNS-250 had no fiscal involvement, it could be destroyed as of May 2007.

Also, any records or documents that are involved in a fiscal audit\* or investigation must be retained for three years from the date the audit or investigation is closed. Attachment III lists closed audit records, which may be flagged for destruction as indicated on the attachment.

Some records require retention periods of more than three years. These include:

1. CalFresh program case records that are a part of an assistance case record must be retained in accordance with MPP Sections 23-353 and 23-356. See Part A, Public Assistance Records.
2. Records and their supporting documents for which there is an open federal or state audit must be retained until resolution of the audit. This includes those federal audits in progress, pending issuance of final reports, and the unresolved audits\* listed on Attachments I, II, and IV.
3. Case records in which criminal or civil litigation was involved are to be retained for three years after the final claim is submitted for federal reimbursement. Records that must be retained include those documents that were used in the determination of eligibility (including denials) and those used to determine the amount paid as retroactive benefits. Other documents in the case record must be retained in accordance with the requirements for public assistance records specified in this letter. Attachment V lists court cases involving CDSS that require the extended retention period.
4. While not required by regulation, it is desirable that those CalFresh program case records and their supporting documents that have been identified by CDSS as federal sample QC cases containing an error, should be retained until the federal sanction process is resolved for the applicable FFY. See Attachment VI.

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\*See footnote on Page Two.

5. Records necessary to sustain an IPV disqualification should be retained through the life of the individuals.

The provisions of this letter are to meet the fiscal monitoring and oversight requirement of CDSS and do not authorize the destruction of those records that have a longer retention period required by other laws/regulations, court cases, or unresolved audits.\*

Questions or comments regarding records retention involving court cases for specific programs should be addressed to the following persons representing those programs:

CalWORKs	Eligibility Bureau	(916) 654-1322
CalWORKs	Employment Bureau	(916) 654-2137
CalFresh	Policy Implementation Unit	(916) 651-8047
In-Home Supportive Services/Adult Programs	Joseph Smith	(916) 651-2787

All questions or comments regarding records retention for the audits contained in Attachments I-III, should be directed to Cynthia Fair, Audits Bureau Chief at [Cynthia.Fair@dss.ca.gov](mailto:Cynthia.Fair@dss.ca.gov). All questions and comments regarding records retention for audits contained in Attachment IV should be directed to [Fiscal.Systems@dss.ca.gov](mailto:Fiscal.Systems@dss.ca.gov).

For general records retention questions that are not program specific, please contact Robert Castro, Records Retention Coordinator at [Robert.Castro@dss.ca.gov](mailto:Robert.Castro@dss.ca.gov) or call (916) 657-1908.

Sincerely,

***Original Document Signed By:***

FRAN MUELLER  
Deputy Director  
Administration Division

Attachments

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\*See footnote on Page Two.

FEDERAL AUDITS PENDING RELEASE OF FINAL AUDIT REPORTS

Programs Administered by the  
U. S. Department of Health and Human Services, the  
U.S. Social Security Administration, and the  
U.S. Department of Agriculture

ID Number	Records Description	Audit/Review Period (1)	Status	State/County Agencies Affected	Required to be Retained
<b>PUBLIC ASSISTANCE RECORDS:</b>					
HHS-CMS	Financial Management Review (FMR) Personal Care Services Program (09010)	10/01/07-09/30/08	e	All Counties	A
HHS-OIG A-09-08-00023	Title IV-E Foster Care Payments for the Placement of Delinquent Youth (07003)	10/04/04-09/30/06	e	L.A. County	A
<b>CALFRESH PROGRAM RECORDS:</b>					
WR-FNS	FMR CA-EFAP (10001)	10/01/08-09/30/09	c	All Counties	C & E
USDA-FNS 2010-49	ARRA SNAP- Ca. Success & Co. FMR (10006)	N/A	b	San Francisco	C & E
USDA-OIG N/A	TEFAP ARRA & Non-ARRA Funds (10007)	01/01/08-07/01/10	c	All Counties	C & E

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- (1) If a single date is listed, it will be the date of the audit report.
- A Case records selected for audit; audit-related materials (e.g., county policy, procedures, correspondence, memoranda, etc., pertinent to the audit/review).
- B Pertinent Assistance Claims; supporting documentation; audit-related materials.
- C Pertinent Administrative Expense Claims, supporting documentation and audit related materials.
- E Pertinent CalFresh program reports [e.g., FNS 46,209,250,259,388 etc.]; supporting documentation; audit related materials.
- L Other: Pertinent SSA Interim Reimbursement Assistance (IAR) Program financial records and reports.
- b Entrance conference completed; Field work in progress.
- c Field work and exit conference completed; draft report being written.
- e CDSS response to draft report submitted; final report pending.
- \* New since ACL 11-08.

FEDERAL AUDITS: FINAL AUDIT REPORTS ISSUED

Programs Administered by the  
U.S. Department of Health and Human Services, and  
the U.S. Department of Agriculture

ID Number	Records Description	Audit/Review Period (1)	Status	State/County Agencies Affected	Exception Amount (2)	Required to be Retained
<b>PUBLIC ASSISTANCE RECORDS:</b>						
HHS-OIG A-09-06- 00023	Audit of CA Title IV-E Claims For Payments Made by L.A. County to Foster Homes of Relative Caregivers (04005)	10/01/00- 11/30/01	D	L.A. County	\$45,520,603	B
SSA-OIG A-09-10- 11079	Audit Indirect Costs Claimed by the CA. Disability Determination Services (09007)	07/01/94- 12/31/95	D	CDSS	\$8,128,431	C
HHS-OIG A-09-08- 00023	Audit of Title IV-E Foster Care Costs Claimed on Behalf of Delinquent Children in L.A. County (07003)	10/01/04- 09/30/06	D	L.A. County	\$ 8,084,007	B

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- (1) If a single date is listed, it will be the date of the audit report.  
(2) County and State total of disallowed Federal funds identified in the final audit report; County/State share and grand total may change as a result of appeal(s).  
A Case records selected for audit; audit-related materials (e.g., county policy, procedures, correspondence, memoranda, etc., pertinent to the audit/review).  
B Pertinent Assistance Claims; supporting documentation; audit-related materials.  
C Pertinent Administrative Expense Claims, supporting documentation and audit related materials.  
D Demand Letter Pending.  
E Pertinent ADP systems design, documentation and approvals: supporting documentation for ADP system-related costs claimed; audit related materials.  
L Other: Pertinent SSA Interim Reimbursement Assistance (IAR) Program financial records and reports.  
b Entrance conference completed; Field work in progress.  
c Field work and exit conference completed; draft report being written.  
e CDSS response to draft report submitted; final report pending.  
\* New since ACL 11-08.

CLOSED FEDERAL AUDITS

Programs Administered by the  
U.S. Department of Health and Human Services and  
by the U.S. Department of Agriculture

ID Number	Description	Audit/ Review Period(1)	Audit Agency	State/Co. Agencies Affected	Exception Amount	Records Required to Be Retained	Destruction Date____**
<b>PUBLIC ASSISTANCE RECORDS:</b>							
	Audit of the Administrative Costs Claimed by DDS for FFY 2004-2005 (06004)	10/01/03-09/30/05	SSA-OIG	CDSS	\$0	**	07/01/11
	Audits of Costs Claimed for the Statewide Automated Child Welfare Information System in CA (07150002)		HHS-OIG	Sacramento County	\$0	**	07/31/11
<b>CALFRESH PROGRAM RECORDS:</b>							
FS-3-1-1-CA	Review of FNS-209 for Accountability as it Relates to Accurate Reporting (06000)		USDA-FNS	CDSS	\$0	**	05/19/10
FS-10-4-2-CA	Review of CA's Food Stamp Employment and Training (FSET) and Abled-Bodied Adults Without Dependents (ABAWD) Procedures (06006)		USDA-FNS	CDSS	\$0	**	1/19/11

ID Number	Description	Audit/ Review Period(1)	Audit Agency	State/Co. Agencies Affected	Exception Amount	Records Required to Be Retained	Destruction Date____**
FS-5-2-CA	University of California Food Stamp Nutrition Education Program Fiscal Review Report (09003)		USDA-FNS	29 Counties	\$4,609,443	K	06/01/13

- (1) If a single date is listed, it will be the date of the audit report.
- A Case records selected for audit/review; audit-related materials (e.g., county policy, procedures, correspondence, memoranda, etc. pertinent to the audit/review).
- B Pertinent Assistance Claims; supporting documentation; audit-related materials.
- C Pertinent Administrative Expense Claims; supporting documentation, audit-related materials.
- K Fiscal/financial claims, reports, contracts, agreements, records, etc. which pertain to the audit; supporting documentation; audit related materials.
- \* New since ACL 11-08.
- \*\* These records may be flagged for destruction on the date shown.

AUDIT OF CALIFORNIA'S  
FOSTER FAMILY AGENCY CLAIMS (PART I)  
A-09-96-00071

Alameda  
Butte  
El Dorado  
Kern  
Los Angeles  
Orange  
Sacramento  
San Bernardino  
San Diego  
San Francisco  
San Joaquin  
San Luis Obispo  
Santa Clara  
Shasta  
Stanislaus

COUNTY EXPENSE CLAIMS (CEC)  
COST VALIDATION AUDITS (CVA) AND REVIEWS  
EXCEPTIONS CLEARED/APPLIED

Attachment IV lists CEC CVA performed by the State Controller's Office (SCO) prior to December 31, 1991 and CEC Cost Validation Reviews (CVR) performed by the California Department of Social Services (CDSS). Total amounts are cited for all audit exceptions in the CVA reports. However, total exception amounts are not specified in CVR reports because in many instances, the county determines the total cost.

At this stage, all necessary state and county adjustments have been applied and the final state expenditure report implementing the audit exceptions has been sent to the federal Department of Health and Human Services. Destruction dates for records pertinent to these CVA's and CVR's are specified below.

<u>COUNTY</u>	<u>AUDIT AGENT</u>	<u>AUDIT PERIOD</u>	<u>RECORDS DESTRUCTION DATE</u>
ALAMEDA	CDSS	07/93 - 09/95	12/24/04
BUTTE	CDSS	09/94 QUARTER	09/08/04
COLUSA	CDSS	06/95 QUARTER	04/28/05
LOS ANGELES ADOPTIONS	SCO	07/79 - 06/82	02/08/11
LOS ANGELES ADOPTIONS	SCO	07/82 - 09/84	02/08/11
LOS ANGELES BHI	SCO	07/69 - 06/75	02/08/11

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<u>COUNTY</u>	<u>AUDIT AGENT</u>	<u>AUDIT PERIOD</u>	<u>RECORDS DESTRUCTION DATE</u>
LOS ANGELES BHI	SCO	07/69 - 06/76	02/08/11
LOS ANGELES DPSS	CDSS	12/95 - 03/96	04/03/05
LOS ANGELES DPSS ADMINISTRATIVE	SCO	07/77 - 06/80	06/10/11
LOS ANGELES DPSS ADMINISTRATIVE	SCO	07/80 - 06/82	08/21/11
LOS ANGELES DPSS ADMINISTRATIVE	SCO	07/84 - 06/86	06/12/11
LOS ANGELES DPSS	SCO	07/86 - 06/88	06/16/11
LOS ANGELES DPSS	SCO	07/85 - 06/88	06/12/11
LOS ANGELES DPSS	SCO	07/76 - 06/77	06/10/11
MENDOCINO	CDSS	06/94 - 06/96	09/17/05
ORANGE	SCO	07/79 - 06/88	08/21/05
ORANGE	SCO	07/85 - 06/88	08/21/05
ORANGE	SCO	09/93 QUARTER	02/22/05
SACRAMENTO DHA	CDSS	10/92 - 12/94	08/01/05
SACRAMENTO DHA	CDSS	07/93 - 06/94	02/21/05
SACRAMENTO DHHS	CDSS	03/94 QUARTER	10/31/05

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<u>COUNTY</u>	<u>AUDIT AGENT</u>	<u>AUDIT PERIOD</u>	<u>RECORDS DESTRUCTION DATE</u>
SAN DIEGO	CDSS	01/93 - 03/95	10/11/05
SAN DIEGO	CDSS	06/93 - 12/95	04/03/05
SAN FRANCISCO	CDSS	12/93 QUARTER	10/24/05
SAN JOAQUIN	CDSS	01/93 - 03/95	05/30/05
SHASTA	SCO	10/77 - 06/80	10/30/05
SHASTA	SCO	07/80 - 06/80	07/13/05
SHASTA	SCO	07/85 - 06/88	07/11/05
SOLANO	CDSS	10/93 - 12/95	10/11/05
STANISLAUS	CDSS	01/93 - 03/95	10/11/05
TULARE	SCO	07/81 - 06/85	04/13/05
TULARE	SCO	07/85 - 06/87	04/13/05
TULARE	CDSS	10/91 - 12/94	06/26/05
TULARE GAIN	CDSS	04/93 - 06/95	08/11/05
VENTURA	CDSS	04/93 - 06/95	06/23/05
VENTURA	CDSS	03/95 - 06/95	04/28/05
YOLO	CDSS	09/94 QUARTER	02/24/05

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### IMPORTANT NOTICE

**AS OF ALL COUNTY LETTER (ACL) No. 96-47, THIS SECTION, ATTACHMENT V - COURT CASES, HAS BEEN REVISED. NEW AND PENDING COURT CASES (FORMERLY SECTION B) WILL NOW BE LISTED IN SECTION A. COURT CASES IN WHICH FINAL JUDGEMENTS HAVE BEEN ISSUED (FORMERLY SECTION A) ARE NOW LISTED IN SECTION B. CLOSED, DISMISSED, OR SETTLED COURT CASES WILL CONTINUE TO BE LISTED IN SECTION C IN MOST INSTANCES. AS COURT CASES PROGRESS, THEY WILL INITIALLY APPEAR IN SECTION A, THEN MOVE TO SECTION B, AND FINALLY TO SECTION C. ADDITIONALLY, THE HEADINGS AND DESCRIPTIONS IN SECTIONS A, B, AND C HAVE BEEN REVISED.**

### COURT CASES

#### A. NEW COURT CASES AND PENDING COURT CASES

The following new court cases and pending court cases require extended public assistance case records retention as indicated.

<u>COURT CASE</u>	<u>REFERENCE ACL#</u>	<u>REFERENCE ACIN#</u>	<u>PROGRAM COVERED</u>	<u>PERIOD OF RECORDS COVERED</u>
Rosales v. Thompson	04-12		Foster Care	12/97 and ongoing until further notice
PCSP or IPW Cases (which could fall under Conlan)		1-03-10	IHSS with PCSP or IPW Services	06/97 – 11/06 kept until further notice
Miller, et al. v. Carlson	91-89 91-114 92-61 92-201 93-20		Child Care Case	

**SEE "IMPORTANT NOTICE" AT TOP OF ATTACHMENT V, PAGE 1**

**B. COURT CASES IN WHICH A FINAL JUDGEMENT HAS BEEN ISSUED**

A final judgment has been issued in the following court case. All public assistance case records previously retained for these court cases may now be destroyed except for those that were used in the determination of eligibility or ineligibility.

NOTE: Public assistance case records associated with these court cases must be retained only for those recipients who filed a claim and did so within the claiming period established by the court. If a claim was not filed within this period, the case record need not be retained beyond the general retention requirements for public assistance case records specified in ACL No. 11-08.

<u>COURT CASE</u>	<u>REFERENCE ACL#</u>	<u>REFERENCE ACIN#</u>	<u>PROGRAM COVERED</u>	<u>PERIOD OF RECORDS COVERED</u>
Fry v. Saenz		1-68-04	CalWORKs	7/04 - 5/05

**C. CLOSED, DISMISSED, OR SETTLED COURT CASES**

The following court cases have been closed, dismissed, or settled. There is no longer a need to retain public assistance case records related to these court cases except in accordance with the general retention requirements for public assistance case records specified in ACL No. 11-08.

<u>COURT CASE</u>	<u>REFERENCE ACL#</u>	<u>REFERENCE ACIN#</u>	<u>PROGRAM COVERED</u>	<u>PERIOD OF RECORDS COVERED</u>
Bass v. Anderson			Foster Care	4/92 - 5/98
Guillen v. Saenz		I-68-04	CalWORKs	10/03

FEDERAL SAMPLE QC SANCTION PROCESS NOT COMPLETED 1/

<u>FFY</u>	<u>PROGRAMS</u>	<u>AFFECTED COUNTIES*</u>
1995	AFDC	ALL
1996	AFDC	ALL
1997	CalFresh	ALL
1998	CalFresh	ALL

1/ Beginning with FFY 1997, there will be no federal fiscal sanctions based on QC error rates in the AFDC/Temporary Assistance for Needy Families Program.

\* Counties with federal QC sample error cases; these cases should be retained until the federal sanction process is completed. Counties will be notified of the resolution dates.