

DEPARTMENT OF BENEFIT PAYMENTS

744 P Street, Sacramento, CA 95814



March 21, 1975

ALL-COUNTY LETTER NO. 75-65

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: DHEW AUDIT OF COSTS OF U.S. DEPARTMENT OF AGRICULTURE FOOD STAMP
AND SURPLUS FOOD PROGRAMS

REFERENCE: Telegram Dated February 27, 1975

We have been informed by the Department of Health, Education, and Welfare (HEW) that our cash advances for administration for the January-March 1975 quarter have been reduced by \$3,139,103. The HEW reduction implements a federal audit exception relating to administrative costs claimed in the Food Stamp and Surplus Food Distribution Programs. The Department of Benefit Payments, upon receipt of this notification, filed suit in the federal court attempting to obtain injunctive relief against HEW and restore the reduction. The federal court on February 21, 1975, dismissed the Department's lawsuit on the basis that the court did not have jurisdiction to decide the issue. The Department is currently appealing this decision in the Federal Circuit Court of Appeals. Pending final resolution of this litigation, we have no other alternative except to pass on to the counties the \$3,139,103 in their March, 1975 advances for administrative expenses due to the shortage of federal funds. For those counties with dual advances in March, the reduction will be applied to the last advance in March. The attached list identifies the amount of the \$3,139,103 applicable to your county.

The basis for the audit is HEW's contention that Food Stamp and Commodity issuance costs should have been excluded from the indirect cost pool used for allocating administrative costs to various programs. The beginning time period of the audit varies for each county according to the date the counties entered into either the Food Stamp or Commodity Program. The audit ended on December 31, 1970.

If you have any questions concerning this audit exception, please contact Larry Harrison or Jim Gomez at 916/445-7946.

Sincerely,

WILLIAM J. KURTZ
Deputy Director

OBSOLETE

cc: CWDA

Superseded by ACL # 77-15Attachment
GEN 654 (2/75)Issued 3-17-77

AUDIT OF COSTS OF U.S. DEPARTMENT OF AGRICULTURE FOOD STAMP AND SURPLUS FOOD PROGRAMS

COUNTIES					
ALAMEDA	258,261				
ALPINE	-				
AMADOR	664				
BUTTE	31,577				
CALAVERAS	1,168				
COLUSA	-				
CONTRA COSTA	154,072				
DEL NORTE	-				
EL DORADO	15,695				
FRESNO	134,065				
GLENN	1,310				
HUMBOLDT	887				
IMPERIAL	-				
INYO	-				
KERN	157,047				
KINGS	21,569				
LAKE	7,382				
LASSEN	-				
LOS ANGELES	942,103				
MADERA	27,371				
MARIN	17,442				
MARIPOSA	-				
MENDOCINO	-				
MERCED	22,996				
MODOC	-				
MONO	-				
MONTEREY	39,452				
NAPA	7,831				
NEVADA	-				
ORANGE	89,039				
PLACER	-				
PLUMAS	2,697				
RIVERSIDE	13,625				
SACRAMENTO	166,262				
SAN BENITO	3,106				
SAN BERNARDINO	136,257				
SAN DIEGO	-				
SAN FRANCISCO	101,445				
SAN JOAQUIN	103,744				
SAN LUIS OBISPO	13,173				
SAN MATEO	35,218				
SANTA BARBARA	37,464				
SANTA CLARA	284,420				
SANTA CRUZ	48,515				
SHASTA	-				
SIERRA	-				
SISKIYOU	-				
SOLANO	-				
SONOMA	42,612				
STANISLAUS	83,527				
SUTTER	-				
TEHAMA	5,309				
TRINITY	-				
TULARE	47,565				
TUOLUMNE	8,402				
VENTURA	63,096				
YOLO	12,735				
YUBA	-				
GRAND TOTAL	3,139,103				