

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



February 28, 1980

ALL-COUNTY LETTER NO. 80-15 (County Fiscal Admin Bur)

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY AUDITORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: AFDC-BHI REVISED CLAIMING - EFFECTIVE JULY 1, 1980

REFERENCE:

The Regional Office of the Department of Health, Education and Welfare has advised this department that they will no longer accept the current method of combining federal and nonfederal costs of AFDC-BHI to arrive at an average cost per case when determining federal participation in the AFDC-BHI program. Effective with the July 1980 claim, it will be necessary for counties to claim expenditures for federal cases and expenditures for nonfederal cases separately. The drafts of Forms CA 800 BHI (Federal) and CA 800 BHI (Nonfederal) previously reviewed by county staff are being finalized for printing and an initial supply will be mailed under separate cover in time for use for the July 1980 claim. Separate payrolls (contra rolls) will also be required.

This letter is being sent at this time to give lead time for implementing changes to computer programs necessitated by separate federal and nonfederal AFDC-BHI payrolls. Currently, the use of aid code 42 to identify federally eligible AFDC-BHI cases is optional. Effective with the July 1980 claims, all counties must use aid code 42 to identify federally eligible AFDC-BHI cases and aid code 40 to identify nonfederal AFDC-BHI cases. These codes must also be used when reporting clothing allowances, abatements, adjustments, and repayments for AFDC-BHI cases.

We anticipate instances in which participation status (federal/nonfederal) may change during a given month. For example, a federally eligible child in placement in a private nonprofit institution may be moved to a private profit-making institution within the month. When this occurs, the persons count will be claimed with the payment for placement as of the first day of the month (or the beginning date of aid) and the expenditures will be prorated between the federal and nonfederal AFDC-BHI claims in accordance with Fiscal Handbook Section 25-320.6.

Example: A federally eligible child is in placement in a private nonprofit institution (rate for the month \$600) for 20 days in a 30-day month. For the remainder of the month (10 days) the child is in a private profit-making institution (rate for the month \$690) and federal participation if not available.

1. The payroll for the federal AFDC-BHI claim will reflect:

Persons Count: 1 federal child Amount of aid: \$400 ($\$600 \times .6667$)

2. The payroll for the nonfederal AFDC-BHI claim will reflect:

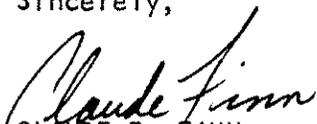
Persons Count: -0- Amount of aid: \$230 ($\$690 \times .3333$)

NOTE: If the child is in the private profit-making institution for the first portion of the month, 1 nonfederal persons count will be claimed on the nonfederal AFDC-BHI claim. No persons count will be claimed on the federal AFDC-BHI claim with the payment for the portion of the month the federally eligible child is in placement in the private nonprofit institution.

Repayments will continue to be reported on a separate line item on the CA 800 BHI forms. Currently, AFDC-FG, U, and BHI expenditures are combined when determining a single repayment sharing ratio based on the five year moving average. This method is no longer feasible. You will be notified of the new method for computing sharing ratios as soon as we have complete data on which to base a determination.

If you have questions concerning this letter, please contact the County Fiscal Administration Bureau, Department of Social Services at 916/445-7046.

Sincerely,


CLAUDE E. FINN
Deputy Director
Administration

cc: CWDA