

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814
(916) 323-0825



April 27, 1984

ALL-COUNTY LETTER NO. 84- 51

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FOOD STAMP PROGRAM COORDINATORS
ALL COUNTY FOOD STAMP PROGRAM FISCAL OFFICERS

SUBJECT: TRANSMITTAL OF THE NEW DFA-209, STATUS OF CLAIMS AGAINST HOUSEHOLDS
REPORT (FORMERLY CA-209) AND INSTRUCTIONS

REFERENCE:

As indicated in ACL 84-37, attached is a copy of the newly revised DFA-209 report and instructions for its completion. The DFA-209 report replaces the current CA-209 report. It includes changes which facilitate the new Food Stamp Program Fraud Recovery Regulations being implemented on an emergency basis on April 1, 1984.

Your initial supply of DFA 209s was released in early April 1984. Additional DFA 209s must be requested through the Fiscal Policy and Procedures Bureau (address below).

Counties must submit the DFA-209 beginning with the April through June 1984 quarter. The initial and all subsequent DFA-209s must be submitted to the following address within 30 days after the end of each calendar quarter.

Department of Social Services
Fiscal Policy and Procedures Bureau
744 P Street, Mail Station 8-100
Sacramento, California 95814

Thank you for your continued cooperation. If you have any questions regarding this letter, please contact George Sifuentes at (916) 445-7046.

Sincerely,

A handwritten signature in cursive script that reads "Robert T. Sertich".

ROBERT T. SERTICH
Deputy Director
Administration

cc: Carol Fahey FNS/WRO
Frank Martin FNS/WRO
CWDA

Attachment

GEN 654 (9/79)

April 1, 1984

DFA-209 GENERAL COMPLETION INSTRUCTIONS (REF: STATE FOOD STAMP MANUAL SECTION 63-801)

County - Enter the name of the county for which the report is prepared.

Report - Check this box if this is an initial report submitted for this report quarter.

Revised Report - Check this box if this is a report which amends a prior report.

Quarter Ending - Enter the ending month of the calendar quarter for which the figures are reported.

I. ACTIVE CLAIMS SUMMARY

Line 1 - Enter the total dollar value and number of active intentional program violation, household error, and administrative error claims due at the beginning of the report quarter. These balances should correspond with the figures in Section I, line 13 (Balance of Active Claims at End of Quarter) of the previous quarter's report.

Line 2(A) - Enter the total dollar value and number of new claims established during the quarter regardless of the disposition of the claim after it was established. This includes claims under \$35.00 which at the county's option may be suspended during the report quarter. This line should also include claims reopened after having been compromised to zero.

Note: A claim may not be considered an intentional program violation claim unless a household member has been found to have committed an intentional program violation through an administrative hearing or by a court of appropriate jurisdiction. In each action, the county must obtain a judgment of restitution and disqualification. Until a finding of intentional program violation has been made, a county must classify a case as a household error claim. Intentional program violation claims must be recorded on the DFA-209 report for the quarter in which the finding was made.

At such time as a county obtains an intentional program violation finding on a household error case, the case and the claim balance remaining in the household error category must be transferred from household error to the intentional program violation category through the use of Section I, line 2(D), Transfers. All collections received during this quarter must be recorded under Category A, Intentional Program Violations. Also, all collections which were received and reported on prior DFA-209's as household error collections are eligible for the higher intentional program violation collection incentive if the amount collected prior to the finding of an intentional program violation is included in the final judgment. Counties must identify the amount of prior household error collections eligible for the intentional program violation collection incentive in Section I, line 16. These collections must further be identified as household error collections received and reported: (1) between July 1, 1981 and December 31, 1981; and (2) after January 1, 1982.

Line 2(B) - Enter the total dollar value and number of claims reactivated from suspense and explain such reactivation in the "Remarks" section. Examples of reasons for reactivation are: after the claim was suspended the household began making payments, the case was erroneously put in suspense, etc. If payment is made for a case which was previously suspended, the case must be transferred from Suspense (Section II) to Active (Section I). The county must include on this line the amount owed before the payment is deducted. This entry must equal the entry recorded in the Suspended Claims Summary, Section II, line 6. The payment received is then recorded in Section I, lines 4 and 5(A).

Line 2(C) - Enter the total dollar value and number of claims for which adjustments are made on active claims during the report quarter and explain in the "Remarks" section. Examples of adjustments include changes because of state hearing decisions, eligibility worker error, clerical error, etc. Transfers between household error, administrative error, and intentional program violation categories are recorded on Line 2(D).

Line 2(D) - Enter the total dollar value and number of claims for which transfers between Intentional Program Violation, Household Error, and Administrative Error active categories occur.

Line 3 - Complete this item by adding together in Section I: lines 1, 2(A), 2(B), 2(C), and 2(D).

Line 4 - Enter the total dollar value of funds collected by cash, check, or money order in payment of intentional program violation, household error, and administrative error claims during the report quarter. Collections for claims for which the claim amount is or has been a Food and Nutrition Service (FNS) liability must be included; however, they must also be separately reported in Section I, line 14.

Note: Do not record any collection for which there is no record of a claim established during the report quarter. This collection must be held until the next quarterly report when the county determines if a claim has been or must be established. If the absence of a recorded claim is the result of a poor claim accounting system, the county must implement a new system which quickly matches established claims with payments received. In no instance may collections be held longer than the next reporting quarter without a determination of whether they are claim payments.

The county agency shall retain all funds collected in a separate, secure identifiable account and shall be liable for all losses of federal and state funds within such account.

Line 5(A) - Enter the total dollar value of funds collected through the voluntary return of food coupons in payment of intentional program violation, household error and administrative error claims during the report quarter. All returned coupons must be immediately voided upon

receipt. The county agency shall ensure that a copy of the FNS-135, Affidavit of Return or Exchange of Food Coupons, is retained in the client's case file as verification that coupons were returned by the client. The original FNS-135 must be retained in the county's DFA-209 file for auditing purposes. The county must attach a consolidated FNS-135 to this report with an attached list of names of clients, case number, and amount of coupons each client returned as repayment of a claim during the report quarter. Only FNS-135s completed for the purpose of returning food coupons in payment of claims are to be included in this item. Upon destruction of these returned coupons, the FNS-471 must be attached to the DFA-209 for the quarter in which the destruction occurred.

Note: FNS-471s maintained for the destruction of coupons returned as payment of claims must be maintained independently of FNS-471s maintained as backup for the issuance of food coupons.

ATPs are not an acceptable method of payment.

Line 5(B) - Enter the total dollar value of coupon allotment reductions recouped to recover intentional program violations, household errors, and administrative errors. Do not include amounts recovered through offsetting restoration of lost benefits. These amounts are reported in Section I, line 5(C). Also, do not include the value of allotment reductions due to a household member's disqualification. The amount of allotment reduction resulting from intentional program violation disqualification does not qualify as a collection.

Line 5(C) - Offset is collecting the amount of the claim by reducing the amount of restored benefits owed to a household. Enter the total value of funds recovered as a result of offsetting benefits to be restored against active recipient claims during the reported quarter. For example, a claim exists for a household in the amount of \$160, but it is also determined that the recipient is entitled to \$50 in restored benefits which has not been released to the household. The offset measure would be to recover \$50 by reducing the balance due on the claim to \$110 and the balance due to restored benefits to zero. The \$50 recovered should be reported on this line.

The county may offset against claim balances which have been suspended, compromised or terminated. When offsetting against a claim which has been compromised or terminated this quarter, the claim must first be moved from Section I, line 12 or Section II, line 5 and reported in Section I, line 2(A), new claims established during quarter.

For claims compromised or terminated in prior quarters the offset amount must be added to Section I, line 2(A). The offset will then be reported in Section I, line 5(C).

Offsets against suspended claims must be recorded in Section II, line 4.

Line 6 - Complete this item by adding together in Section I: lines 5(A), 5(B) and 5(C).

Line 7 - Complete this item by adding together in Section I: lines 4 and 6.

Line 8 - Enter amount of refunds paid to households for overpaid claims.

Line 9 - Complete this item by subtracting in Section I: lines 8 from 7. The State Department of Social Services (SDSS) will adjust the county advance to reflect the county's retention of 25 percent of the dollar value of intentional program violation claims collected, 12-1/2 percent of the dollar value of household caused nonfraud claims collected as well as full retention by FNS of all administratively caused nonfraud over-issuance recoveries.

Line 10 - Closed is defined as receiving payment in full or compromised down to zero. Enter the number of active intentional program violation, household error and administrative error claims closed during the report quarter by:

- a) Lump-sum payments,
- b) Completion of installment payments,
- c) Completion of allotment reduction, or
- d) Offsetting the full amount of claims against lost benefits.
- e) Compromising claim to zero.

The procedures for the disposition of claim records following closure are established in Section 63-201.6, Retention of Records.

Line 11 - Enter the total dollar value and number of claims suspended during the report quarter. Provisions for when claims may be suspended are included in state regulation under "Claims Against Households." (A corresponding entry must be made in the Suspended Claims Summary, Section II, line 2(A).)

Line 12 - Enter the total amount by which claims were reduced during the report quarter through compromises negotiated between the county agency and the food stamp household. Provisions for when claims may be compromised are included in state regulation under "Claims Against Households."

Line 13 - Enter the total dollar value and number of active intentional program violation, household error, and administrative error claims on which collection action is continuing, including those in which the required demand letter(s) have not been sent.

Calculation: (1) Number of claims equals in Section I: lines (3) - (10) -
(11)
(2) Amount of claims equals in Section I: lines (3) - (9) -
(11) - (12)

Line 14 - Enter the value of collections from clients on overissuances for which the county has paid FNS through the FNS-46 billings, FNS-250 billings, or other billings that result from investigations, audits, gross negligence charges, etc. Since the county has or will satisfy payment for these types of overissuances through FNS billings, the amounts identified in this section will be fully credited to the county.

This figure may represent collections for FNS liabilities assessed for this quarter or previous quarters. These collections must be reported in the collections summary of the quarter in which payment is received. Some explanation must be included in the "Remarks" section to explain the figure entered on this line.

For audit purposes counties are responsible for ensuring that adequate records are maintained which substantiate that any collection reported in this line is, in fact, repayment for an amount to which the county is liable.

Line 15 - Enter the total dollar value of all funds collected in payment of household error claims during the report quarter which are eligible for 50 percent retention and are included in Section I, line 7. Only household error claim collections received after July 1, 1981 resulting from out-of-court settlements entered into prior to July 1, 1982 are eligible for this incentive.

Line 16 - This line is for household error collections received and reported in earlier quarters (other than this quarter) prior to the final determination of an intentional program violation. Enter the total dollar value of all funds collected in payment of household error claims during prior quarters which are eligible for the intentional program violation incentive. See Section I, line 2(A), Paragraph 3 for claiming instructions.

II. SUSPENDED CLAIMS SUMMARY

Line 1 - Enter the beginning quarter balance of the total dollar value and number of claims that were suspended in prior quarters and have not been terminated. These balances should correspond with the figures in Section II, line 8 (Balance of Suspended Claims at End of Quarter) of the Suspended Claims Summary for the previous quarter's report.

Line 2(A) - Enter the total dollar value and number of claims suspended during the report quarter. This includes claims under \$35.00 which, at the county's option, may be suspended during the report quarter. Provisions for when claims may be suspended are included in state regulation under "Claims Against Households". (This entry must equal the entry recorded in the Active Claims Summary, Section I, line 11.)

Line 2(B) - Enter the total dollar value and number of claims for which adjustments are made to the suspense account during the report quarter and explain in the "Remarks" section. Examples of adjustments include: changes because of state hearing decisions, eligibility worker error, clerical error, etc.

Line 2(C) - Enter the total dollar value and number of claims for which transfers between Intentional Program Violation, Household Error, and Administrative Error suspense categories occur.

Line 3 - Complete this item by adding together in Section II: lines 1, 2(A), 2(B), and 2(C).

Line 4 - Enter the dollar value of funds recovered as a result of offsetting lost benefits to be restored against suspended recipient claims during quarter.

Note: This line should be used only if there is no chance of continuing collection. If collection will be made on a continual basis, the total suspended amount must be placed in Section I, line 2(B) and the offset recorded in Section I, line 5(C).

Line 5 - Enter the total dollar value and number of claims which have been held in suspense for three years and are being terminated during this report quarter. The amount entered will be the balance due.

Line 6 - Enter the total dollar value and number of claims which have been transferred from Suspense Status to Active during the report quarter. (This entry must equal the entry recorded in the Active Claims Summary, Section I, line 2(B).)

Line 7 - Complete this item by adding together in Section II: lines 4, 5, and 6.

Line 8 - Enter the total dollar value and number of intentional program violation, household error and administrative error claims which remain in suspended status at the end of the quarter, including those suspended during the report quarter.

The procedures for the disposition of claim records following closure are established in state regulation Section 63-201.6, Retention of Records.