STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

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

September 29, 1987

ALL-COUNTY LETTER NO. 87-134

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

SUBJECT: ASSISTANCE CLAIMING INSTRUCTIONS FOR GRANT DIVERSION

The purpose of this letter is to transmit assistance claiming instructions to counties that are or will be operating grant diversion under the Greater Avenues for Independence (GAIN) Act, Chapter 1025, Statutes of 1985 (Assembly Bill 2580).

Grant diversion is a funding mechanism for subsidized employment where all or a portion of the participant's Aid to Families with Dependent Children (AFDC) grant is diverted to an employer or an intermediary service provider as a wage subsidy. In California, diverted grants will be deposited into a separate account called a wage pool from which wage subsidy payments to employers are made.

Please refer to All-County Letter No. 87-37, dated March 12, 1987, for a full programmatic description of the GAIN grant diversion process.

A. Claiming Instructions for AFDC-Family Group/Unemployed (FG/U)

To secure federal reimbursement and meet the federal reporting requirements, revised reporting requirements are necessary for those AFDC recipients participating in grant diversion. Counties will be required to revise the existing AFDC payroll, and submit a separate payroll and summary for employer payments.

Those recipients that are participating in grant diversion will continue to be reflected on the AFDC-FG/U payroll. However, additional identification will be required on the payrolls for these cases. Counties will be required to identify all cases in grant diversion with the alpha code GD. The residual grant amount is considered a regular AFDC payment, and will continue to be shown in the total aid paid column along with persons counts and other required payroll information.

The portion of the grant that is being diverted to the wage pool for employer payments must be shown in a separate column on the payroll for identification and accumulation purposes. The diverted amount must not be included with the residual grant amount. The amounts reflected in this "amount diverted" column are to be summarized on the payroll summary.

Those cases where there is no residual grant, i.e., when the entire grant has been diverted, must continue to be shown on the AFDC-FG/U payroll. However, the persons counts associated with these cases must not be claimed on CA 800. The entire grant amount for these cases must be reflected in the "amount diverted" column.

B. Wage Pool

The purpose of a wage pool is to ease the cash flow and administrative burdens that would arise if each participant's diverted grant had to be traced to an individual paycheck. Counties have more flexibility when all of the grants are pooled together. Counties should follow the provisions outlined in Manual of Policies and Procedures (MPP) Handbook Section 25-220 when setting up the wage pool account.

For employer tax purposes, counties will have to ensure that the system which generates the employer payments has the capability of producing year-end summaries of amounts paid to each employer participating in grant diversion.

C. Claiming Instructions for Employer Payments

The expenditures from the wage pool for employer payments must be claimed separately from regular AFDC payments in order to meet federal reporting requirements.

Counties will be required to submit separate FG & U payrolls and separate FG & U summaries of employer payments. These payrolls must contain the case number (as it appears on the AFDC payroll) and name of the recipient participating in grant diversion, the employer's name, the amount paid to the employer (current month/prior month), and other required payroll information. Employer payments are always paid in arrears. For example, an invoice received and paid by the county in February for January wages earned by the participant, must be reflected in the February claim as a current month expenditure. In the instance when the county paid an invoice in February, but failed to report the expenditure in February, the amount should be claimed as a prior month adjustment in a subsequent month's claim. Counties will also be required to track the number of cases for which employer payments have been made on a month-by-month basis. As an example, if two invoices are received in a month for two different months on behalf of a recipient/participant, a case count must be counted for each month.

For federally eligible grant diversion participants, the sharing of employer payments is 50 percent federal, 44.6 percent state and 5.4 percent county. For state-only eligibles, please contact the Fiscal Policy and Procedures Bureau, Assistance Policy Unit, at (916) 445-7046 in advance for special claiming instructions.

D. Grant Diversion Reporting Forms

Special forms are being designed to allow for the separate reporting of employer payments on behalf of grant diversion cases. They are as follows:

1. Form CA 800 GD, Grant Diversion - Summary Report of Employer Payments.

2. Form CA 802 GD, Grant Diversion Wage Pool Financial Report. The purpose of this report is to monitor the solvency of the wage pool.

3. Form ABCD 801 GD, Grant Diversion - Employer's Payroll. The employer's payroll forms are to be used initially or ongoing for the reporting of such payments. Those counties electing to computerize their grant diversion employer's payroll, or use a substitute form, may do so, providing that the county's format is equivalent to the state form.

Attached are samples and instructions for the forms mentioned above. The claims for employer payments including the grant diversion wage pool financial report (CA 802 GD) are due the eighth working day following the month of payment. Claims should be addressed to State Department of Social Services, 744 P Street, Sacramento, CA 95814, Attention: Assistance Desk Audits, M.S. 8-300. An initial supply of the finalized forms to be used for claiming employer payments will be sent to you under separate cover.

If you have any questions or concerns regarding this letter, please contact Ms. Stephanie Davis, Fiscal Policy and Procedures Bureau, at (916) 445-7046 or ATSS 473-0267.

ROBERT L. GARCIA
Deputy Director
Administration

cc: CWDA

GRANT DIVERSION — SUMMARY REPORT OF EMPLOYER PAYMENTS

FOR STATE USE ONLY		
☐ DSS	☐ COUNTY WELFARE	☐ COUNTY AUDITOR

✓ CHECK ONE:

☐ FAMILY GROUP (FG)

☐ UNEMPLOYED (U)

COUNTY:	DATE: (MONTH YEAR)
CONTACT PERSON:	TELEPHONE: ( )

COLUMN A TOTAL	COLUMN B FEDERAL	COLUMN C STATE	COLUMN D COUNTY	
				1. Expenditures payable with Federal, State and County funds.
				2. Prior month expenditures which increase the Federal, State and County share.
( )	( )	( )	( )	3. Prior month expenditures which decrease the Federal, State and County share.
				4. Expenditures payable with State and County funds.
				5. State Use Only line.
				6. Total

COLUMN E TOTAL CASES	
	7. Total Federal Cases
	8. Total Nonfederal Cases
	9. Total Cases

SAMPLE

CERTIFICATION

I HEREBY CERTIFY, under penalty of perjury that I am the official responsible for the administration of Grant Diversion in and for the aforesaid county; that I have not violated any of the provisions of Sections 1090 to 1096, inclusive, of the Government Code; that the payments reflected herein have been made in accordance with all provisions of the Welfare and Institutions Code and the rules and regulations of the Department of Social Services.

SIGNATURE OF COUNTY WELFARE DIRECTOR	DATE:

I HEREBY CERTIFY, under penalty of perjury, that I am the officer in aforesaid county responsible for the examination and settlement of accounts; that I have not violated any of the provisions of Sections 1090 to 1096, inclusive, of the Government Code; that the amounts claimed herein are in accordance with authorizations for Grant Diversion made by the county; that said amounts correctly reflect Federal, State and County shares in the payments claimed and that warrants therefore have been issued, according to law and the rules and regulations of the Department of Social Services.

SIGNATURE OF COUNTY AUDITOR OR CONTROLLER	DATE:

INSTRUCTIONS FOR USE OF CA 800 GD

1. Enter county name, month and year of claim, contact person and contact person's telephone number in spaces provided.

2. Line 1, Column A — Enter the grand total of expenditures shown on the integrated payroll summary which is payable with Federal, State and County funds. (For nonintegrated payrolls, enter grand totals of expenditures shown for each payroll or contra roll.)

3. Line 1, Columns B, C and D — Enter the dollar amounts of Federal, State and County participating shares. (50 percent federal, 44.6 percent state and 5.4 percent county.)

4. Line 2, Column A — Enter the grand total of prior month expenditures shown on the integrated payroll summary which increase the Federal, State and County share. (For nonintegrated payrolls, enter grand totals of expenditures shown on each payroll.)

5. Line 2, Columns B, C and D — Enter the dollar amounts of Federal, State and County participating shares. (Same as instruction 3 above.)

6. Line 3, Column A — Enter the grand total of prior month expenditures shown on the integrated payroll summary, which decrese the Federal, State and County share. (For nonintegrated payrolls, enter grand totals of expenditures shown for each contra roll.)

7. Line 3, Columns B, C and D — Enter the dollar amounts of Federal, State and County shares. (Same as instruction 3 above.)

8. Line 4, Column A — Enter the grand total of expenditures shown on the integrated payroll summary which is payable with State and County funds. (For nonintegrated payrolls, enter grand totals of expenditures shown for each payroll or contra roll.)

9. Line 4, Columns C and D — Enter the dollar amounts of State and County participating shares. (89.2 percent State and 10.8 percent County.)

10. Line 5 — Reserved for application of adjustments made by the State. (Federal and/or State Field Audit Exceptions, etc.)

11. Line 6, Columns A, B, C and D — Enter grand totals.

12. Line 7, Column E — Enter the total number of Federal cases from the integrated payroll summary. (For nonintegrated payrolls enter total number of Federal cases from Column D of the ABCD 801 GD.)

13. Line 8, Column E — Enter the total number of Nonfederal cases from the integrated payroll summary. (For nonintegrated payrolls, enter the total number of Nonfederal cases from Column D of the ABCD 801 GD.)

14. Line 9, Column E — Enter the total of Federal and Nonfederal cases, Line 7 plus Line 8.

SAMPLE

STATE OF CALIFORNIA — HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES

GRANT DIVERSION — WAGE POOL FINANCIAL REPORT

(COMBINE FG & U)

FOR STATE USE		
☐ SDSS	☐ COUNTY WELFARE	☐ COUNTY AUDITOR

COUNTY:	DATE: *(MONTH/YEAR)*
CONTACT PERSON:	TELEPHONE: ( )

	AMOUNT
1. Wage pool balance carried forward from previous month.	$
2. Grants diverted in current month.	$
3. Total amount available in wage pool. (ITEM 1 + ITEM 2)	$
4. Grant diversion payments pending from previous months.	$
5. Grant diversion payments invoiced in current month.	$
6. Total grant diversion payments due. (ITEM 4 + ITEM 5)	$
7. Grant diversion payments made. (Cannot exceed amount in ITEM 3)	$
8. Grant diversion payments owed which will be carried forward to next month. (Difference, if any, between ITEMS 6 and 7)	$
9. Ending balance in wage pool. (ITEM 3 - ITEM 7)	$

CERTIFICATION

I HEREBY CERTIFY, under penalty of perjury, that I am the official responsible for the Administration of the Grant Diversion Wage Pool in and for the aforesaid County; that I have not violated any provisions of Sections 1090 to 1096, inclusive, of the Government Code; that the amounts reflected herein are in accordance with the law and rules and regulations of the Department of Social Services.

SIGNATURE OF AGENCY OFFICIAL:	TITLE:	DATE:

INSTRUCTIONS FOR USE OF CA 801 GD

1. Enter the county name, month and year of report, report contact person and contact person 's telephone number in spaces provided.

2. ITEM 1 — Enter wage pool balance from previous month. (ITEM 9 of the grant diversion wage pool financial report, Form CA 801 GD, of the previous month.)

3. ITEM 2 — Enter the total amount of grants diverted in current month.

4. ITEM 3 — Add ITEM 1 and ITEM 2.

5. ITEM 4 — Enter the grant diversion payments pending from previous months which will be invoiced this month. (ITEM 8 of the previous month.)

6. ITEM 5 — Enter the grant diversion payments invoiced in current month.

7. ITEM 6 — Add ITEM 4 and ITEM 5.

8. ITEM 7 — Enter the total amount of grant diversion payments made. (This amount cannot exceed the amount available in the wage pool.)

9. ITEM 8 — Enter the difference, if any, between ITEMS 6 and 7.

10. ITEM 9 — Enter the balance remaining in the wage pool. (ITEM 3 minus ITEM 7)

SAMPLE

STATE OF CALIFORNIA — HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES

GRANT DIVERSION — EMPLOYER'S PAYROLL

✓ CHECK ONE:

☐ FEDERAL

☐ NON-FEDERAL

COUNTY:

DATE (MONTH/YEAR)

☐ FAMILY GROUP (FG) ☐ UNEMPLOYED (U)

A. CASE NUMBER	B. CASE NAME	C. NAME OF EMPLOYER	D. CASE COUNT	E. AMOUNT PAID TO EMPLOYER (CURRENT MONTH)	F. ISSUE DATE	G. WARRANT NUMBER	H. PAYMENT MONTH	I. AMOUNT PAID TO EMPLOYER (PRIOR MONTH)	J. REMARKS
		PAGE TOTALS — — — —							

SAMPLE

ABCD 801 GD (8/87)

INSTRUCTIONS FOR USE OF ABCD 801 GD

1. Enter county name, month and year of claim in the spaces provided.

2. COLUMN A — Enter the case number of the recipient/participant participating in grant diversion.

3. COLUMN B — Enter the recipient's/participant's name.

4. COLUMN C — Enter the employer's name as it appears on the warrant for employer's payments.

5. COLUMN D — Enter the case count in behalf of each recipient/participant. A case count must be counted on a month by month basis. For example, if two invoices are received in a month for two different months in behalf of a recipient/participant, a case count must be counted for each month.

6. COLUMN E — Enter the amount paid to the employer which is a current month expenditure. (Decreasing adjustments of current month expenditures must be bracketed.)

7. COLUMN F — Enter the date of the warrant. (The date may be indicated at the top of the page rather than individually for each warrant, if all warrant numbers have the same date.)

8. COLUMN G — Enter the warrant number.

9. COLUMN H — Enter the month which the payment is for, i.e., January would be reflected in this column if an employer's invoice received in February is for January wages earned by the recipient/participant.

10. COLUMN I — Enter the amount paid to the employer which is a prior month expenditure (prior month expenditures are employer payments that were paid in a previous month, but not reported.)

    A separate ABCD 801 GD must be used for reporting prior month increasing expenditures, and a separate ABCD 801 GD must be used for reporting prior month decreasing expenditures.

    Provisions have been made on the CA 800 GD to identify such payments separately.

11. COLUMN J — This column should be used to indicate the reason for an adjustment of an employer payment.

SAMPLE