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

July 22, 1996

ALL COUNTY LETTER NO. 96-36

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL
[ ] State Law Change
[ ] Federal Law or Regulation Change
[ ] Court Order
[X] Clarification Requested by One or More Counties
[ ] Initiated by CDSS

SUBJECT: COLLECTION OF OVERPAYMENTS IN THE AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAM

REFERENCE: ALL COUNTY LETTER 95-55

The purpose of this notice is to provide the counties with some guidelines in determining when overpayment collection efforts against the former caretaker relative recipient may stop and collection against the members of the overpaid assistance unit (AU) may proceed.

Both Federal and State regulations require the county to recoup the overpayment promptly, and once the recipient is no longer on aid, the county must make reasonable efforts to recover an overpayment of $35 or more from the individual. Reasonable efforts include sending a demand notice informing the individual of the amount and reason for the overpayment [Manual of Policies and Procedures (MPP) Section 44-352.43]. Once the demand notice is sent, no further collection efforts are required if the county determines that it is not cost effective to collect the overpayment (MPP Section 44-352.22). These requirements are still applicable when collecting from a former caretaker relative recipient before collecting from other members of the overpaid AU pursuant to MPP Section 44.352.3.

The county should continue with their regular collection efforts against former caretaker relative recipients who have remaining overpayments. However, in making efforts to locate the caretaker, the county may want to contact the other overpaid AU members to seek information regarding the whereabouts of the former caretaker. Upon locating the former caretaker relative recipient, a demand letter should be sent to him/her. If there is no response or the notice is returned bearing no additional information to assist in locating the person, appropriate data sources as described in MPP Section 44-211.312(b)(1) should be used to locate him/her. If the county locates the former caretaker relative recipient and

determines that it is not cost effective to collect from him/her pursuant to MPP 44-352.312(e), the county may proceed to collect from other members of the overpaid AU. If the individual is unlocatable pursuant to MPP Section 44-350.2(l), the county may proceed to collect from the other members of the overpaid AU [MPP Section 44-352.312(b)].

If you have questions regarding this information, please contact Ms. Joelyn Walters of my staff at (916) 654-1803/CALNET 464-1803.

Sincerely,

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division