

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 23, 2002

Regulation Package 0901-20

CDSS MANUAL LETTER NO. EAS-01-10

TO: HOLDERS OF THE EAS MANUAL, DIVISIONS 44 and 80

Regulation Package #0901-20**Effective 12/1/01****Sections 44-302, 44-304, 44-305, 44-325, 44-327 and 80-310**

These regulations implement and make specific Senate Bill (SB) 962, (Chapter 795, Statutes of 2000), which amended Section 11006.2 of the Welfare and Institutions Code. SB 962 states that California welfare recipients are in the process of making the transition from welfare into the paid labor market. Part of this transition should include participation in the economic mainstream by having the choice to establish banking relationships. Direct deposit of public assistance payments is provided to assist welfare recipients in this transition by reducing a barrier to full participation in the banking system.

The CDSS is required to provide for the delivery of public assistance payments, more specifically, current regulations specify that public assistance payments be issued as a paper warrant. The regulations add that the public assistance payments may be issued by an electronically-based system. The regulations, consistent with Section 11006.2 of the Welfare and Institutions Code, provide for the direct deposit of public assistance payments as specified; including that the direct deposit of assistance payments shall be available to CalWORKs recipients in any county that offers a program or direct payroll deposit to some or all their employees and that the CalWORKs recipient can request direct deposit at any time.

These regulations were adopted on an emergency basis effective December 1, 2001 and were considered at the Department's public hearings held on January 15 and 16, 2002.

FILING INSTRUCTIONS

Revisions to all manuals are shown in graphic screen. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing EAS changes was EAS-01-09.

Page(s)458 and 459
463 through 470
497 through 500
861 and 862Replace(s)Pages 458 and 459
Pages 463 through 470
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Attachment

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**STANDARDS OF ASSISTANCE
AID PAYMENTS**

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**STANDARDS OF ASSISTANCE
AID PAYMENTS**

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CHAPTER 44-300 AID PAYMENTS**44-301 MONEY PAYMENT PRINCIPLE 44-301**

Each individual or family has the right to manage his/her own affairs; to decide what use of his/her money, including the aid payment, will best serve his/her interests; and to make his/her purchases through the normal channels of exchange, to enjoy the same rights and to discharge his/her responsibilities in the same manner as other members of the community.

Aid payments shall be made in conformity with the money payment principle except when a problem in money management exists (see Section 44-307); when authorized sanctions are applied when a person fails without good cause to cooperate in the WIN Demo or GAIN Programs (see Section 42-691 or 42-786); when protective payments are made in noncooperation child support cases (see Sections 43-106 and 43-107.1); when money management is required under GAIN (see Section 42-785); or when directed by the Services System to make payments to a protective payee or to a vendor or vendors (see Section 44-307).

Aid payments are for the benefit of the recipient only and do not constitute income to any other person.

44-302 PAYMENT BY DIRECT DEPOSIT 44-302

Notwithstanding Section 25-301, direct deposit of assistance payments must be made available to CalWORKs recipients in all counties that offer a program of direct payroll deposit to some or all of their employees.

- .1 The CWD shall notify recipients of the option to receive benefits by direct deposit at the time of application or redetermination.
- .2 The recipient can request at anytime to receive direct deposit.
- .3 The recipient shall be eligible for direct deposit for the duration they are on aid.

NOTE: Authority cited: Sections 10553, 10554, and 11006.2, Welfare and Institutions Code. Reference: Section 11006.2, Welfare and Institutions Code.

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44-303 AID PAYMENTS - DEFINED 44-303

Aid payments are:

- .1 Money payments, i.e., payments delivered unconditionally to the recipient or family or to the legally appointed guardian or conservator of the recipient's estate, with no state or county control of the use of the payments.

When a staff person in the county welfare department or in the State Department of Social Services serves as a substitute payee or as a court appointed guardian or conservator for the recipient, as provided in Sections 40-107.2 and 30-222.6, his/her determinations regarding utilization of the aid payments on behalf of the recipient do not constitute "state or county control" within the meaning of this section. However, care shall be taken to leave the recipient as much control over the use of the payment as possible and consistent with conditions.

or

- .2 Protective payments, i.e., assistance payments made to a substitute payee serving as representative of the recipient or family (see Section 44-309).

or

44-303	AID PAYMENTS - DEFINED (Continued)	44-303
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- .3 Vendor payments, i.e., payments made directly to a person or agency supplying goods or services to the recipient or family. Vendor payments are applicable:
 - .31 In all aids, for payments on home repairs under special shelter payment provisions; and
 - .32 In CalWORKs, for use in certain Homeless Assistance cases (see Section 44-211.5); and
 - .33 In CalWORKs cases in which a member of the AU becomes ineligible for aid due to a felony conviction related to the use or distribution of a controlled substance (see Section 44-307.11); and
 - .34 In CalWORKs cases in which a parent or caretaker relative is subject to sanction for a period of time known in advance to be at least three consecutive months (see Section 44-307.12).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11251.3, 11453.2, and 17012.5, Welfare and Institutions Code; Family Support Act of 1988, Public Law (PL) 100-485, October 13, 1988 and California Department of Health Services Manual Letter 77-1.

44-304	AID PAYMENT SCHEDULES	44-304
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- .1 Forwarding of Warrants
When a CalWORKs warrant is mailed, the envelope containing the warrant shall bear a statement that the warrant is not to be forwarded and that an address correction is requested (Welfare and Institutions Code Section 11006.4).
- .2 Frequency of Delivery
Except for counties with approved alternate payment systems counties shall select either semimonthly or monthly delivery of payments.
- .3 Changes in Frequency
Counties shall, when electing to change frequency of delivery:
 - .31 CDSS Notification
Notify CDSS in writing at least 90 calendar days prior to converting from one payment frequency to another.
 - .32 Recipient Notification
Notify all recipients of CalWORKs in writing at least 30 calendar days prior to converting from one payment frequency to another.

44-304	AID PAYMENT SCHEDULES (Continued)	44-304
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| .62 | Initial Payment | Initial payments promptly but no later than 10 calendar days after authorization of aid or the beginning date of aid, whichever is later. |
| .63 | Other Types of Delivery | Payment to the recipient on the last working day prior to the specified delivery date when the payment is to be delivered by means other than the mail. |
| .64 | Late Payments | Payments that cannot be authorized before the date for regular aid payments as soon as administratively feasible. |
| .65 | Out-of-County | Payments out of the county as soon as administratively feasible. |
| .66 | Vendor Payments | Payments according to specified intervals to third parties or vendors when requested by the recipient or when made in accordance with Section 44-303.3. |
| .7 | Recipient Dies | If a warrant is cashed or a direct deposit electronic fund transfer is made, but the recipient subsequently dies or becomes ineligible for aid there is no right to recovery. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063(a), 10553, 10554, 11006.2, 11251.3, 11453.2, 11455 and 17012.5, Welfare and Institutions Code; 45 CFR 206.10(a)(6)(D); 45 CFR 233.23; 45 CFR 233.29(a)-(d); 45 CFR 233.31(b)(4); 45 CFR 233.32; and Balderas v. Woods Court Order.

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44-305	AID PAYMENTS - PAYEE AND DELIVERY	44-305
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.1 To Whom Paid and Delivered

HANDBOOK BEGINS HERE

- .11 For Payee and Delivery requirements applicable to pregnant or parenting minors who are participants of the California Work Pays Demonstration Project, see Section 89-201.4.

HANDBOOK ENDS HERE

.12 Child Living with Parent or Relative

- .121 If a child is living with a caretaker relative, the warrant shall be paid only to the caretaker relative unless such relative has a legally appointed guardian or conservator or there is a substitute payee or there is a vendor designated to receive payment (see Section 44-307). In such cases, the warrant is paid to the guardian, conservator, substitute payee or vendor.
- .122 If the caretaker relative is temporarily absent from the home, the warrant may be paid to a person designated by the caretaker relative.
- .123 The warrant is to be delivered only to the payee or otherwise according to the payee's instructions. If there is an emergency, the warrant may be delivered to a person acting temporarily for the parent or relative payee. (See Section 25-530.2.)

.13 Repealed by Manual Letter Number 81-62 (1/1/82)

.2 Alternate Payment System

- .21 A county may develop a plan that divides its cases into groups and pays aid to these cases on dates other than the first and fifteenth of the calendar month, in order to allow payment dates to be spaced evenly throughout the calendar month.

44-305	AID PAYMENTS - PAYEE AND DELIVERY (Continued)	44-305
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- .22 Such an alternate payment system must receive written approval of the California Department of Social Services before it may be implemented. The plan must provide that:
 - .221 Each recipient shall be assigned a recurring, specified aid payment period. The budget period shall correspond to this payment period.
 - .222 The aid payment shall be issued by mail or by direct deposit electronic fund transfer in time to be available to the recipient on the dates specified under Section 44-305.23.
 - .223 Upon changing aid payment periods for any recipient, the recipient shall be provided a payment for the prorated amount of aid for the interim period between the end of the old payment period and the beginning of the new payment period. The prorated payment shall be made on the old aid payment delivery date.
 - .224 Under the alternate payment system, references to month in the regulations shall be interpreted to mean the assigned aid payment or budget period.
 - .225 Upon approval of the plan by the state and the assignment of an applicant to an alternate payment period, the recipient shall be informed of the payment period, budget period and dates he can expect his aid payment.
- .23 Aid payments to CalWORKs families residing in counties with approved semimonthly alternate payment systems shall be made in two installments during the payment period as follows:
 - .231 The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of the assigned payment period, unless the county received the completed CW 7 after the tenth day prior to the end of the assigned report period. If the CW 7 is received after the tenth day prior to the end of the assigned report period, but on or before the first day of the assigned payment period, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the assigned payment period if possible, but not later than the tenth day of the assigned period.
 - .232 The county shall place the second warrant in the mail or complete the second direct deposit electronic fund transfer in time to be available to the recipient by the 15th day of the assigned payment period.

44-319 INITIAL PAYMENTS (Continued) 44-319

.2 When Initial Payment is Made

An initial payment shall be delivered within the month for which aid is granted or restored, or not later in the following month than the time such payment is required to be delivered in accordance with Section 45-303.1.

.3 Retroactive Initial Payment

An initial payment includes aid for prior months if retroactive aid is authorized because:

- .31 Aid was granted on appeal to the State Department of Social Services;
- .32 The State Department of Social Services concurs in a county recommendation that retroactive aid be paid to adjust an appeal;
- .33 An application for aid has been denied and corrective action is being taken;
- .34 The investigation was not completed by the end of the month following the date on which the application was made or the end of the month following the date on which the applicant became eligible if such is later than the date of application.

44-325 CHANGES IN AMOUNT OF PAYMENT 44-325

.1 When Change is Effective

When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective as soon as proper notice can be given in accordance with Sections 22-022 and 22-021.2.

.2 Has been deleted.

.3 Discontinuance

If a recipient's circumstances change to the extent that he no longer meets the eligibility requirements, aid shall be discontinued effective the last day of the month for which the last payment was made (see EAS Section 40-183.4 regarding appropriate action when the recipient is no longer eligible for cash grant but remains eligible for medical assistance as a medically needy person).

.4 Has been deleted.

.5 Cancellation or Reduction of the Second Installment of a Month's Aid Payment

44-325	CHANGES IN AMOUNT OF PAYMENT (Continued)	44-325
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- .51 The second installment of a month's aid payment is normally not cancelled or reduced, except when:
 - .511 Ineligibility for the first installment was discovered too late to give proper notice under Section 22-022; or
 - .512 Payment of the first installment was made because the payment date was within the termination notice period. For example, see Section 41-440.71; or
 - .513 An overpayment would occur if the second installment is not cancelled or decreased.
- .52 Any cancelled or reduced payment is subject to all notice requirements as outlined in Section 22-022.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 11006.2, Welfare and Institutions Code.

44-327	DELAYED PAYMENT	44-327
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When a public assistance payment is delayed because of changes in circumstances not related to continuing eligibility or to the correctness of grant, the county shall immediately take whatever action is necessary to determine the changed circumstances and issue the payment at the earliest possible date.

.1 Federal and State Participation

Federal and state participation in AFDC is available for the delayed payment only if it is released within whichever of the following occurs first:

- .11 One calendar month after the county receives information upon which it can act indicating there has been a change in circumstances, or
- .12 Two months succeeding the month for which the payment was issued.

.2 Factors Causing Delay in Payment

Factors which may cause delay in payment within the meaning of this section include:

- .21 Change of address of recipient -- warrant is returned to the auditor's office and the county is so notified.
- .22 A change in payee.
- .23 A transfer of county responsibility for aid payment -- the second county inadvertently fails to begin aid on the due date and pays retroactive aid from that date.

44-327 DELAYED PAYMENT (Continued) 44-327

- .24 Death of a recipient -- when reissuance of the warrant or payment is appropriate but not possible until the person entitled to the warrant or payment is determined under Probate Law, the limitations specified in .11 and .12 above are not applicable (see Handbook Section 25-520.7).
- .25 The complete CW 7 (see Section 40-181.241) is received after the tenth day prior to the end of the report month regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231.
- .26 Electronic Fund Transfer Accounts – If the direct deposit electronic fund transfer was incomplete due to, but not limited to, closed account, the failure of the direct deposit electronic fund transfer, or the payment inadvertently went to the wrong account, the county shall immediately take whatever action is necessary at the earliest possible date.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 11006.2, Welfare and Institutions Code.

44-340 UNDERPAYMENTS 44-340

.1 General

- .11 An underpayment shall be corrected in accordance with the regulations in effect on the date of discovery.
- .12 Underpayments occur when the applicant or recipient receives less than the amount to which he/she is entitled in a given month or months. Failure to apply for or request aid does not create an underpayment.
- .13 The county shall take all reasonable steps necessary to correct promptly any underpayment that comes to the county's attention.
 - .131 Any underpayment which is due to the erroneous denial of an application for aid shall be corrected even though the applicant failed to perform an act constituting a condition of eligibility when such failure was caused by the denial. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.
 - .132 For the purpose of determining the beginning date of aid for correcting an underpayment which is due to the erroneous denial of an application, see Section 44-317.8.
- .14 A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an underpayment determination. If there is a computational error, the payment shall be corrected.

44-340	UNDERPAYMENTS (Continued)	44-340
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- .2 Investigation of Underpayments
 - .21 When there is a reason to suspect that an underpayment may have occurred, the worker must investigate and determine whether an underpayment did occur.
- .3 Calculating the Underpayments

The calculation of the underpayment is as follows:

 - .31 Calculate the correct grant for each month in question, compare the correct grant to the amount actually paid to the recipient for each month; and if the amount to the recipient in any month is less than the correct grant for that month, an underpayment exists.
- .4 Correction of the Underpayment
 - .41 Underpayments are corrected through retroactive payments.
 - .42 If an assistance unit has both an underpayment and an overpayment, the county shall balance one against the other before making a retroactive corrective payment.
 - .43 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)
 - .44 The month of discovery is the month in which the county obtained any information which could have reasonably led to a determination that an underpayment occurred.
 - .45 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)
- .5 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)
- .6 For purposes of determining continued eligibility and amount of assistance, retroactive payments shall not be considered as income or as a resource in the month paid nor in the next following month.
- .7 Repealed by DSS Manual Letter No. EAS-89-06, effective 10/1/89.

80-310 **DEFINITIONS - FORMS** **80-310**
(Continued)

- (7) CA 22 The "Alien Sponsor's Statement of Facts Regarding Income and Resources (Supplemental Application for Food Stamps and AFDC)" (Rev. 10/85) is the form used to collect the information about the alien sponsor necessary to determine the eligibility of an applicant who is a sponsored alien.
- (8) CA 23 The "Senior Parent(s)/Legal Guardian(s) Statement of Facts" (Supplement to CA 2, Rev. 1/89) is used to collect information about the senior parent/legal guardian's income to determine a minor parent's eligibility.
- (9) CA 24 The "Sponsoring Agency or Organization's Statement of Facts Regarding Ability to Meet the Alien's Needs" (Rev. 1/85) is used to collect the necessary information to determine the eligibility of an alien who is sponsored by an agency or organization.
- (10) CA 42 The "Statement of Facts for Homeless Assistance (Rev. 1/96)" is used to gather information to determine eligibility for non-recurring special need for homeless assistance.
- (11) CA 371 The "Referral to District Attorney" (Rev. 3/93) is used to refer cases to the District Attorney for child support enforcement purposes.
- (12) CW 7 The "Monthly Eligibility Report" (Rev. 7/00) is used to collect information for cash aid and food stamps. The CW 7 replaces the CA 7.
- (13) CCP 1 The Declaration of Exemption From Trustline Registration and Health and Safety Self-Certification, (10/98), Recommended, is used to declare that an individual; the aunt, uncle, grandmother/father, great grandmother/father, great aunt/uncle of the child(ren) in care is exempt from licensure.

80-310	DEFINITIONS – FORMS (Continued)	80-310
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- (14) CCP 4

The Health and Safety Self-Certification (For license-exempt providers), (10/98), Required (Substitutes Permitted), is used for a license-exempt child care provider who is serving a family that receives subsidized child care. Also, this form certifies that the home where child care is provided meets basic health and safety standards, including the prevention and control of infectious diseases.
- (15) CCP 6

The Health and Safety Facility Checklist, (7/98), Required (Substitutes Permitted), is used to provide parents with a list of suggested questions to ask their child care provider to ensure that the home where care is to be provided is a safe and healthy place for their child(ren).
- d. (1) DHS 6110

The Medical Insurance Form (Rev. 10/91) is used to collect information regarding medical coverage and identify third parties who may be liable to pay for medical expenses of AU members.
- (2) DHS 6155

The Health Insurance Questionnaire (Rev. 10/90) is used to collect information regarding medical coverage and identify third parties who may be liable to pay for medical expenses of AU members.
- e. (Reserved)
- f. (1) FC 2

The "Statement of Facts Supporting Eligibility for AFDC-Foster Care (FC)" (Rev. 4/96) is used to collect information necessary to determine foster care eligibility at the time of application and redetermination.
- (2) FC 18

The "Notification of AFDC-Foster Care Transfer" (Rev. 2/97) collects and transmits the information necessary to transfer a foster care case between counties.
- g. through i.(Reserved)
- j. (1) JA 2

The "Statement of Facts - Cash Aid and Food Stamps" (Rev. 4/90) is used to collect the information necessary to determine eligibility at the time of application and redetermination. This form replaces the CA 2.