

August 27, 2015

COUNTY FISCAL LETTER (CFL) NO. 15/16-18

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY AUDITOR CONTROLLERS
ALL COUNTY PROBATION OFFICERS

SUBJECT: FNS-209 STATUS OF CLAIMS AGAINST HOUSEHOLDS (FNS-209)
LINE 14 REPORTING CHANGE

REFERENCE: ALL COUNTY LETTER NO. 88-42 DATED MAY 5, 1988

This CFL implements a modification of reporting requirements for the quarterly FNS-209 Status of Claims Against Households effective September 11, 2015 (December 2015 Quarter). In collaboration with the County Welfare Director's Association (CWDA), the California Department of Social Services (CDSS) is implementing a new process to meet the United States Department of Agriculture (USDA), Food and Nutrition Services' (FNS) requirements for the reporting of the Treasury Offset Program (TOP) on Line 14. There is no procedure change in the reporting of all other lines of the FNS-209.

BACKGROUND

The FNS-209 is populated in the Statewide Automated Reporting System (SARS) by each of the 58 counties. The CDSS utilizes SARS to combine the 58 counties reports into one statewide report, which is submitted to FNS quarterly.

Per the instructions for the FNS-209 Line 14, this amount represents the Cash, Checks, Money Orders and TOP collected for the period. The amount reported on the FNS-209 Line 14 will always exceed the reported TOP collected for each quarter (13 weeks) by the Cash, Checks and Money Orders reported. Additionally, FNS expects the amount reported for the TOP collected to match the same quarterly 13 week cycle of the TOP collections received from the Bureau of Fiscal Services issued through USDA FNS, Grants Management Division to the CDSS. As part of CDSS' collaboration with CWDA, it was determined that the 13 weeks of TOP collections that FNS uses to compare to the FNS-209 Line 14 does not match what counties report due to a timing difference of the claiming and reporting methodology used by counties.

Additionally, for the past few years, the FNS-209 Line 14 statewide amount for the March quarter reports has not exceeded the sum of TOP collected for the 13 weeks FNS uses. This raised an additional inquiry from FNS, since this line is used as part of FNS calculation to determine the federal amount of TOP collected and due to FNS on a quarterly basis.

Prior to convening a county workgroup, CDSS requested to FNS in a letter dated April 9, 2014, a waiver from the requirement that the FNS-209 Line 14 TOP reporting match the identical 13 week TOP cycles issued by FNS and requested to use an annual 52 week TOP reconciliation instead. The CDSS explained timing differences between the counties' receipt of the TOP cycle funds and which quarter the cycles would be reported on the FNS-209 report based on a cash basis claiming. The FNS recommended that California seek other alternatives to make reporting consistent among the 58 counties.

COUNTY WORKGROUP RESULTS

The CDSS and CWDA created a workgroup with counties from each of the three consortia to discuss the issue and determine how each county reported. In conclusion, each county had a different timeframe for reporting TOP collections on the FNS-209 Line 14 that could not meet the same 13 weekly cycles of TOP. Many counties use their own system to arrive at the FNS-209 Line 14 amounts (by recipient), and do not utilize the weekly TOP cycle information in their own systems. Additionally, none of the counties matched all of the appropriate TOP cycles in any specific quarter.

The CDSS analyzed the June 2012 to September 2013 quarters between the county data and the 13 week cycle provided by FNS for each quarter. The CDSS verified that all TOP cycles for one federal fiscal year were reported within those six quarters analyzed. However, due to some counties tracking TOP collections by individuals, not TOP cycles, a specific cycle could be reported in more than one quarter.

NEW PROCESS (December 2015 Quarter)

In collaboration with CWDA, the new process will require all counties to report a specific 13 week cycle on each quarterly FNS-209 regardless of receipt date of the funds. This will ensure that all counties are reporting the same weeks in each quarterly report:

FNS-209 Report Quarter	Beginning TOP Cycle Number	Beginning TOP Cycle week ending Date	Ending Cycle Number	Ending Cycle Date
September 2015	All outstanding cycles	All outstanding cycles	1534	September 4, 2015
December 2015	1535	September 11, 2015	1547	December 4, 2015

For the September 2015 quarter, counties need to include all the outstanding cycles that were not previously reported through TOP cycle 1534 [Welfare Intercept System (WIS) cycle 1538]. Starting in December 2015 quarter, each county will be required to post in the remarks section of Line 29 the cycles reported and the total amount for each cycle. Differences may occur at the county level due to issues related to over-collections of outstanding debt. These differences should also be noted on Line 29. The CDSS will contact any county whose amount is different than CDSS records and determine any discrepancies to ensure correct amounts are being reported quarterly. The counties are reminded that the FNS-209 is due to the state no later than 30 days after the end of the quarter. Any questions regarding the cycles will need to be answered promptly by the counties to ensure the States timely submission of the FNS-209 report to FNS.

JUNE 2015 QUARTER UPDATE

There was a delay in receiving TOP cycle information due to an accounting system conversion at FNS thus causing counties to not receive all of the TOP cycles needed for the June 2015 quarter report. The last cycle received for June 2015 quarter was 1515 dated April 24, 2015. For the September 2015 quarter report, counties will begin with cycle 1516 and include any previous cycles not included in the June quarter report. The CDSS will provide CWDA with both the TOP and WIS cycle numbers annually since CDSS receives the cycle information from FNS before the beginning of each new calendar year. It is important to note that previous year cycle numbers will continue for a couple of weeks in January of the following year.

CHANGE IN DISBURSEMENTS

Beginning December 11, 2015 (March 2016 Quarter), CDSS will no longer provide the state portion of the 50 percent from each county's payment of the weekly cycle. Instead of receiving the 35 percent portion, counties will only receive 17.5 percent on the weekly TOP cycle refund. This will allow CDSS to make any negative adjustments against the state portion and ensure that all counties receive their entire county TOP portion weekly. The Tax Intercept coordinator will no longer receive the weekly remittance advice. The County Fiscal Officers will now receive it with the AA190.

If you have any questions regarding these instructions, please contact Ms. Cheley Swart, Manager, Federal Reporting Section, at (916) 657-3131 or by e-mail at Cheley.Swart@dss.ca.gov. If you have any questions regarding the AA190, please e-mail FiscalSystemsCass@dss.ca.gov.

Sincerely,

Original Document Signed By:

DIANNE OKAMOTO, Chief
Fiscal Systems and Accounting Branch

c: CWDA