

June 28, 2016

COUNTY FISCAL LETTER (CFL) NO. 15/16-63

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
LINE 14 REPORTING MANDATORY IMPLEMENTATION

REFERENCE: CFL NO. 15/16-18, DATED AUGUST 27, 2015
ALL COUNTY LETTER NO. 88-42 DATED MAY 5, 1988

This CFL reiterates the mandatory reporting requirements for the quarterly FNS-209 Status of Claims Against Households (Attachment I) from [CFL No. 15/16-18](#) dated August 27, 2015. These changes are to meet the United States Department of Agriculture (USDA) Food and Nutrition Services' (FNS) requirements for the reporting of the Internal Revenue Service Treasury Offset Program (TOP) on Line 14. Due to this reporting change and in collaboration with the County Welfare Directors Association (CWDA), the California Department of Social Services (CDSS) is providing options to meet the reporting changes for TOP.

BACKGROUND

The FNS-209 is populated in the Statewide Automated Reconciliation 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.

The CFL No. 15/16-18 was to be implemented with the December 2015 quarter report. Upon review, it was evident by the March 2016 report that not all counties had implemented the CFL instructions properly. According to various county contacts, this was due to processing and automation issues within the counties. However, counties must change the current processes with the June 2016 Quarter report and begin to report TOP at the time of notification (Attachment II) and not when cash is received.

The FNS expects the amount reported for the TOP collected to match the same quarterly 13 week cycle of the TOP collections received from the USDA FNS, Grants Management Division to the CDSS. Annually, CDSS will provide the county contacts with both

the TOP and Welfare Intercept System (WIS) cycle numbers before the beginning of each new calendar year showing the cycles to be included for each specific quarter of the FNS-209 report. However, for purposes of reporting on the FNS-209 report, the WIS cycle is not pertinent to the TOP cycle. It is important to note that each cycle is not an exact quarter (i.e., January 1 – March 31) and previous year cycle numbers will continue for several weeks in January of the following year.

OPTIONS FOR MANDATORY IMPLEMENTATION OF LINE 14 PROCESS

In order to provide flexibility to counties to implement the TOP process, there are two options for counties to meet this requirement. Counties must work in coordination with the County Auditor-Controller to determine the best option for the county.

OPTION ONE: Counties can choose to track the TOP cycle amounts outside of their consortium system utilizing the notification documentation that is received prior to the remittance advice and AA190 – Statement of Cash Advance. When running the back-up documentation for the FNS-209 report quarterly, the county would manually exclude any data that includes TOP types of payment. The county would then manually add in the TOP data from the required 13 cycles.

OPTION TWO: Counties can ensure that all 13 cycles, and only those specific 13 cycles are input into their consortium system on a quarterly basis. This will cause a discrepancy in your General Ledger accounts, because the funds have not yet been received. However, you should not need any manual adjustments to the quarterly consortium back-up documentation for the FNS-209 report.

PROCESS UPDATE (June 2016 Quarter)

In collaboration with CWDA, the updated process will continue to 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 cycles in each quarterly report:

FNS-209 Report Quarter	Beginning TOP Cycle Number	Beginning TOP Cycle week ending Date	Ending Cycle Number	Ending Cycle Date
June 2016	All outstanding cycles	All outstanding cycles	1621	June 03, 2016
September 2016	1622	June 10, 2016	1634	September 02, 2016

For the June 2016 quarter, counties need to include all the outstanding cycles that were not previously reported through TOP cycle 1621. Each county will be required to post in the remarks section of Line 29 the cycles reported and the total amount for each cycle. The amounts indicated in Line 29 must match the TOP funds reported in Line 14.

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 within two days by the counties to ensure the states timely submission of the FNS-209 report to FNS.

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:

MARIA HERNANDEZ, Chief
Program Integrity Branch

Original Document Signed By:

DIANNE OKAMOTO, Chief
Fiscal Systems and Accounting Branch

Attachments

c: CWDA

U.S. DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE**STATUS OF CLAIMS
AGAINST HOUSEHOLDS**

1a. STATE NAME

2a. QUARTER COVERED

☐ 1 - FIRST ☐ 3 - THIRD
☐ 2 - SECOND ☐ 4 - FOURTH
1b. STATE CODE 2b. FISCAL YEAR

CLAIMS SUMMARY	A. INTENTIONAL PROGRAM VIOLATION		B. INADVERTENT HOUSEHOLD ERROR		C. STATE AGENCY ADMINISTRATIVE ERROR	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
3a. BEGINNING BALANCE						
b. BALANCE ADJUSTMENTS (+) or (-)						
4. NEWLY ESTABLISHED						
5. TRANSFER (+) or (-) (See Instructions)						
6. REFUNDS (20a + 20b)						
7. TOTAL (3a + 3b + 4 + 5 + 6)						
8. CLOSED						
9. TERMINATED						
10. COMPROMISED						
11a. COLLECTION (18a)						
b. COLLECTION ADJ. (18b + 18c)						
12. TOTAL (See Instructions)						
13. ENDING BALANCE (7 LESS 12)						

COLLECTION SUMMARY

14. CASH, CHECK, M.O.			
15. SNAP BENEFITS			
16. RECOUPMENT			
17. OFFSET			
18a. TOTAL (14 + 15 + 16 + 17)			
b. CASH ADJ. (+) or (-)			
c. NON-CASH ADJ. (+) or (-)			
19. TRANSFERS (+) or (-) (See Instructions)			
20a. CASH REFUNDS			
b. NON-CASH REFUNDS			
21. TOTAL (18a+18b+18c+19-20a-20b)			
22. RETENTION AMOUNT (See Instructions)			
23. NET CASH COLLECTION (14 + 18b - 20a)			
24. TOTAL SA RETENTION (22a + 22b)			
25. LOC. ADJ. (+) or (-) (23 - 24)			
26. REIMBURSEMENTS DUE FNS (See Instructions)			
27. BILLING ADJUSTMENTS (See Instructions)			
28. TOTAL LETTER OF CREDIT ADJUSTMENTS (25 + 26 - 27)			
29. REMARKS (Attach separate sheet, if necessary)			

I certify that the above information is true and correct to the best of my knowledge.

30. DATE

31. TITLE

32. SIGNATURE

FNS-209 INSTRUCTIONS

GENERAL INSTRUCTIONS

This report shall cover the State's activities relating to recipient claims during the report quarter and the status of claims from previous reports. Submission to the Food and Nutrition Service (FNS) of a consolidated State level report is required. Each State agency (SA) shall prepare an original and two copies. The original and one copy shall be submitted to the FNS Regional office so that it will be received in that office by the 30th day following the end of the report quarter. State agencies shall retain the second copy for audit purposes. The report must be submitted even if no payments are collected during the quarter.

Line 1a State

Enter name of State

Line 1b State Code

Enter the 2-digit code of the State.

Line 2a Quarter Covered

Enter the code (1, 2, 3, or 4) for the Federal fiscal quarter the report covers.

Line 2b Fiscal Year

Enter the last two digits of the Federal fiscal year the report covers.

Line 3a Beginning Balance

Use this line to adjust balances to reflect amendments or corrections to the collection summary of a previous quarterly report. This line shall also be used to reflect previously terminated or compromised claims that are being reactivated and to record claims that are transferred to or from another State. See "special instructions" below. DO NOT use this line to reflect a claim change from one category to another as a result of a hearing or court determination (this type of adjustment is handled in line 5. Adjustments shall be made by using (+) and (-) signs. For example, an SA administrative error claim of \$100 was incorrectly posted on a previous report as a household error claim. The adjustment in the amount column of this report would be reflected by showing a + \$100 in column C and a - \$100 in column B. Corresponding (+) or (-) adjustments must also be reflected in the number columns for categories B and C.

Line 3b Balance Adjustments

Use this line to adjust balances to reflect amendments or corrections which need to be made to account for incorrect or changed entries in the claims summary section of a previous quarterly report. This line shall also be used to reflect previously terminated or compromised claims that are being reactivated and to record claims that are transferred to or from another State. See "special instructions" below. DO NOT use this line to reflect a claim change from one category to another as a result of a hearing or court determination (this type of adjustment is handled in line 5. Adjustments shall be made by using (+) and (-) signs. For example, an SA administrative error claim of \$100 was incorrectly posted on a previous report as a household error claim. The adjustment in the amount column of this report would be reflected by showing a + \$100 in column C and a - \$100 in column B. Corresponding (+) or (-) adjustments must also be reflected in the number columns for categories B and C.

Line 4 Newly Established

Enter the number and total value of all claims established during the report quarter (including those under the minimum amount established in Section 273.18(d)(1)(i)(A) of the regulations) for categories A, B and C. DO NOT use this line to report the reactivation of a previously suspended, terminated or compromised claim amount. "For the purpose of this report, a claim is established for tracking purposes as of the date of the initial demand letter or written notification".

Line 5 Transfers (+) or (-)

Use this line to reflect that a claim changed from one category to another solely because of a hearing or court determination. All other changes between categories are to be reflected in line 3b above. The amount of the balance due on the claim is all that should be reflected in the amount column of this line, not the amount of the original claim. Use (+) and (-) signs as appropriate. The number column must also reflect a corresponding (+) or (-) adjustment. See "special instructions" below.

Line 6 Refunds

Self-explanatory.

Line 7 Total

Self-explanatory. Be sure that (+) and (-) signs are used as appropriate.

Line 8 Closed

Enter the number of claims closed this quarter. For the purpose of this report, closed is defined as the State agency having received payment in full, or compromised the amount down to zero. If the amount is compromised to zero, it must also be reflected as closed in line 10. Please note that closed on this form does not include terminations (these are handled in line 9).

Line 9 Terminated

Enter the number and balance due of those claims which have been determined in accordance with Section 273.18(e)(3) of the regulations to be uncollectible for categories A, B and C.

Line 10 Compromised

Enter the number of claims compromised and the amount in accordance with Section 273.18(g)(2) and (3) by which the claim has been compromised, not the remaining balance of a particular claim. For example: Claim Amount is \$500. Household can pay \$300 over time, so the claim is compromised by \$200. The amount to be reflected in line 10 is the amount by which the claim was compromised (\$200 in this example).

Line 11a Collections

Self-explanatory.

Line 11b Collection Adjustments

Self-explanatory. Be sure that (+) and (-) signs are used as appropriate.

Line 12 Total

For the "number" columns, enter the sum of lines 8 and 9. For the "amount" columns, enter the sum of lines 9, 10, 11a and 11b. Be sure that (+) and (-) signs are used as appropriate.

Line 13 Ending Balance

Self-explanatory.

Line 14 Cash, Check, Moneyorder

For categories A, B and C, enter the total value of claim payments made in the form of cash, check or moneyorder. All payments are to be recorded on the report for the quarter in which the household actually presented the payment.

Line 15 SNAP Benefits

For categories A, B and C, enter the total value of SNAP Benefits provided by the household as a form of payment for a claim. Such payments are to be recorded on the report for the quarter in which the household actually presented the SNAP Benefits as payment.

Line 16 Recoupment

Enter the total value of collections made through allotment reductions. DO NOT use this line to record collections made through offsetting restoration of lost benefits (this is shown on line 17).

Line 17 Offset

Enter the total value of collections made by offsetting restored benefits against outstanding claim balances. 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. Offsetting the restored benefits (\$50) from the claim balance (\$160) reduces the claim balance to \$110. The \$50 is the offset amount to be reported in line 17. Offsets shall be reported in the quarter in which the restored benefits are to be provided.

Line 18a Total

Self-explanatory.

Line 18b Cash Adjustments

Use this line to reflect any amendments or corrections to the collection summary of a previous report related to cash, check, or moneyorder collections. Use (+) and (-) signs as appropriate. DO NOT use this line to reflect changes that occur because a claim was changed from one category to another due to a hearing or court determination (this type of adjustment is handled in line 19). See "special instructions" below.

Line 18c Non-cash Adjustments

Use this line to reflect any amendments or corrections to the collection summary of a previous report relative to the return of SNAP benefits, recoupment, or offsetting transactions. Use (+) and (-) signs as appropriate. DO NOT use this line to reflect changes that occur because a claim was changed from one category to another due to a hearing or court determination (this type of adjustment is handled in line 19). See "special instructions" below.

Line 19 Transfers

Use this line to reflect claims that were contained in the collection summary of a previous report and which are being transferred from one category to another because a hearing or court determination. There must be a corresponding entry on line 5 of the claims summary to reflect the transfer of the claim. Use the (+) and (-) signs as appropriate. Any other adjustments between categories are to be reflected in line 18b or 18c as appropriate. See "special instructions" below.

Line 20a Cash Refunds

Enter the value of cash refunds provided to households that overpaid claims.

Line 20b Non-Cash Refund

Enter the value of non-cash refunds provided to households that overpaid claims.

Line 21 Total

Self-explanatory. Be sure that (+) and (-) signs are used as appropriate.

Line 22 Retention Amount

In column A, enter 35 percent of the amount recorded on line 21, category A. In column B, enter 20 percent of the amount recorded on line 21, column B.

Line 23 Net Cash Collections

Enter the total value of cash funds collected: add lines 14 and 18b for categories A, B and C; then subtract line 20a for all categories. Use (+) and (-) signs as appropriate.

Line 24 Total State Agency Retention

Self-explanatory.

Line 25 LOC Adjustment

Self-explanatory, except that the entry must be reflected as a (+) or (-) figure. A negative figure represents a credit to the State agency.

Line 26 Reimbursements

Due FNS Enter the total value of Title IV-D child support payments due FNS in accordance with Section 276.2(e) of the regulations.

Line 27 Billing Adjustments

Enter the total value of collections on overissuances for which the SA has paid FNS through the FNS-46 billings or other billings that result from investigations, audits, or gross negligence charges, etc. DO NOT include collections on overissuances for which the State has paid FNS through the FNS-259 billing system. This figure represents a credit to the SA. In "Remarks" or on a separate sheet of paper identify which FNS-46 report or other billing charge was involved and provide the date the billing was paid and the value of the overissuances that were paid.

Line 28 Total LOC Adjustment

Enter the total amount which is obtained by adding the total shown in line 26 to the total shown in line 25 (+) or (-) and subtracting the total in line 27. Please indicate whether the amount is a negative or positive figure. If the amount remaining is a negative figure the LOC will be increased by this amount to reflect a credit to the State. If the amount remaining is a positive figure, the LOC will be reduced by this amount.

Line 29 Remarks

Attach a separate sheet to the FNS-209 if necessary.

Line 30 Date

Enter the date that the FNS-209 is signed.

Line 31 Title

Enter the title of the person who signs the FNS-209.

Line 32 Signature

The responsible Person who will certify that the information provided is correct, shall sign the form.

Special Instructions for Lines 3b, 5, 18b, 18c and 19:

Especially for these line items, entries must be clearly identified and explained.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number of this information collection is 0584-0069. The time required to complete this collection is estimated to average 3.0 hours per response, including the time to review instructions, search existing data sources, gather the data needed, and complete and review the information collected.



JOHN A. WAGNER
DIRECTOR

STATE OF CALIFORNIA--HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES



EDMUND G. BROWN JR.
GOVERNOR

March 16, 2016

TO: COUNTY TAX OFFSET COORDINATOR

FROM: CDSS - FSB - COUNTY ADMIN PAYMENT UNIT

SUBJECT: REMITTANCE ADVICE FOR TAX INTERCEPT
TOP Schedule 044542R
Week Ending 02-19-2016
TOP Process Date 02-24-2016
TOP Cycle No. 1606

The TOP Remittance Advices will be mailed by CDSS accounting department, to the county accounting department and a copy to the tax intercept contact person. Please contact us if you have any changes to the contact person for tax intercept.

The attached remittance advice is from Welfare Intercept System (WIS) offsets and files uploaded from the Secure Transport™ server Tumbleweed.

If you have any questions, please email to: DSS Fiscal Systems Cass
<FiscalSystemsCass@dss.ca.gov>

Attachment

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
744 P STREET, SACRAMENTO, CALIFORNIA 95814
(916) 687-3390

REMITTANCE ADVICE 044542R
02/24/2010

MONTH OF SCHEDULE NO.

The enclosed warrants cover advances for the indicated purposes, as authorized by the Welfare and Institutions Code. A copy of this form has been transmitted to the County Auditor as required by 26903 Government Code.

COUNTY WELFARE DIRECTOR

Sacramento, CA 95812-0110

	FEDERAL	STATE
TOP ATTACHMENT FOR FOOD STAMP INTEREST PROGRAM		
TOTAL OFFSET		1,101,227.88
REVERSAL		(620.80)
53% FEDERAL REDUCTION		645,260.00
17.5% STATE SHARE REDUCTION		227,588.73
DEFERRED RECOUPMENT		0.00
AMOUNT PAID TO COUNTY		227,588.80
		\$227,588.80
Total Amount of Warrant		

AA 215 D (501)