

# **Manual of Policies and Procedures**

# **FISCAL MANAGEMENT AND CONTROL**



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

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**FISCAL MANAGEMENT AND CONTROL  
GENERAL PROVISIONS**

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**25-105 IMPLEMENTATION OF FISCAL MANUAL REGULATIONS 25-105**

Where the regulations states requirements, policies, principles or objectives in broad and general terms, the county shall:

- .1 Adhere to procedures prescribed in the Fiscal Handbook or establish procedures equally effective in obtaining the same result.
- .2 Comply with specific rules and use required forms or substitutes for which written approval has been received from the department prior to their use.
- .3 Submit claims and reports and maintain records in accordance with state regulations. These procedures are detailed in the Fiscal Handbook.

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**FISCAL MANAGEMENT AND CONTROL  
GENERAL ADMINISTRATIVE RESPONSIBILITIES**

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**25-200      GENERAL ADMINISTRATIVE RESPONSIBILITIES      25-200**

Certain basic principles govern the discharge of county accountability in administration of the welfare programs. Important rules governing fiscal aspects of these principles are:

- .1 Each county shall make correct payments to eligible recipients and present proper claims for such payments to the department.
- .2 Each county shall administer the welfare programs efficiently and claim as administrative costs only those expenditures which are properly claimable and necessary for efficient administration.
- .3 Each county shall keep such records and accounts as are required to demonstrate that it has made proper expenditures and has filed correct claims and shall maintain and file its records and accounts to as to enable representatives of the department and the Federal Department of Health and Human Services to verify their correctness readily.
- .4 Each county shall promptly file claims and reports, report repayments received from or on behalf of recipients or former recipients of assistance, and adjust items found to have been erroneously claimed by the county.
- .5 Each county shall promptly file claims and reports, report repayments received from or on behalf of recipients or former recipients of assistance, and adjust items found to have been erroneously claimed by the county.
- .6 Each county shall maintain in operation a plan effectively to minimize the occurrence of fraud and embezzlement on the part of county employees.
- .7 Fiscal operations shall be conducted in accordance with generally accepted accounting principles and practices and the uniform accounting manual adopted for use by California counties.
- .8 Appropriate staff in each county shall be cognizant of the regulations, rules and requirements contained in this manual and shall employ administrative techniques to assure that performance of fiscal functions is consistent with such requirements.

**25-220**      **ACCOUNTABILITY FOR STATE AND FEDERAL FUNDS** **25-220**

**25-220.1**    **TRUST FUNDS AND ACCOUNTS** **25-220.1**

Each county shall maintain separate accounts in a trust fund for welfare assistance, welfare administration, and child support enforcement administration. All advances for welfare assistance, welfare administration and child support enforcement administration shall be deposited in this fund. Amounts will be transferred to a county disbursement fund on a basis of either actual or estimated state-federal share of disbursements for aid and administration of welfare and child support. If estimated amounts are transferred, adjustment of transfer for each month to the total of federal and/or state shares shown on the claims approved by the department shall be made as soon as the necessary information is available.

County tax apportionments or other monies shall not be commingled with state and federal monies in the welfare assistance and administration accounts in the trust fund.

**25-240**      **WITHHOLDING OF STATE AND FEDERAL FUNDS BECAUSE OF** **25-240**  
**NONCOMPLIANCE**

.1      Noncompliance - Aid Programs

The Director may invoke county compliance hearing procedures in accordance with W&I Code Section 10605 whenever he considers a county to be failing in a substantial manner to comply with any provisions of the W&I Code or any regulations pertaining to the administration of any aid program. If the Director, in his final decision, determines there is failure on the part of the county to comply with the laws and regulations in issue at the hearing and that administrative sanctions are necessary to secure compliance, he may withhold part or all of state or federal funds until the county shall make a showing of compliance.

.2      Noncompliance - Child Support/Paternity Determination

The Director may invoke county compliance procedures in accordance with W&I Code Section 11475.2 whenever he considers that a public agency which is required by law, by delegation of the department, or by cooperative agreement to perform functions relating to the state plan for securing child support and determining paternity to be failing in a substantial manner to comply with the provisions of the state plan relating to child support and the determination of paternity.



**25-250**      **AUDIT AND AUDIT APPEALS PROCESSES (Continued)**                      **25-250**

When a claim is corrected or disallowed in part or in total as a result of a SDSS audit, the auditee will be notified in writing by SDSS after the correction or disallowance is made. The letter shall specify the reason for the adjustment and shall include copies of amended claim summary documents. If the county does not concur with the adjustment, it may appeal in accordance with Section 25-250.4.

.3      State Field Audit

All relevant claims, accounts, and documents are subject to periodic post audit by representatives of the State. An audit exception may be recorded and a claim cut made when failure to comply with a regulation exists, a substantive and identifiable wrong results from such noncompliance and a specific amount of money can be related to the action.

.31      Thirty days prior to the start of a state audit the auditee will be notified of:

.311      The period of time to be audited.

.312      The probable scope of the audit.

.313      The documents which should be made available.      Further documentation may be requested as the audit proceeds.

.314      The names of the auditors and the tentative beginning and ending dates of the audit.

.32      An exit interview will be held in all audits. Auditees will be provided with a copy of the draft audit at least 14 days prior to an exit interview. The exceptions developed by the auditors will be discussed at the exit interview. Audit staff may modify the audit in response to the exit interview, however, the final audit must be published within 60 days after the exit interview.

**25-250**      **AUDIT AND AUDIT APPEALS PROCESSES (Continued)**                      **25-250**

.4      SDSS Appeal Procedures

- .41      Unless SDSS determines that a different appeal process is available pursuant to statute or regulation for a specific program, the procedures set forth in this section shall apply.
- .42      Where an auditee does not concur with a claim adjustment letter or any exception in a published audit, a protest may be filed with SDSS within 60 days of receipt of the published audit or adjustment letter. The protest must be accomplished with full supporting documentation. SDSS may request additional documentation or information.
- .43      Within 60 days of receipt of the final documentation or information SDSS shall issue a decision letter clearing, modifying or sustaining the adjustment letter or audit exception. If the auditee does not concur with the decision, it may appeal in accordance with Section 25-250.44.
- .44      If the auditee does not concur with the decision letter, a written appeal may be filed with the Chief Deputy Director. SDSS will acknowledge promptly such an appeal.
  - .441      The appeal must be filed within 30 days of receipt of the decision letter.
  - .442      The appeal must be written and include the specific adjustments or exceptions objected to.
  - .443      Within 30 days of receipt of an appeal SDSS will provide the auditee with a list of documents which make up the record upon which the appeal will be decided.
  - .444      The auditee may add or delete documents and provide any additional arguments or material for inclusion in the record within 30 days of the receipt of the list of documents.

**25-250**      **AUDIT AND AUDIT APPEALS PROCESSES (Continued)**                      **25-250**

- .445      The auditee may request an oral hearing. If no such request is made a proposed decision will be rendered based on the written record by the Chief Deputy Director; an administrative law judge designated by the Director; or a Deputy Director of SDSS designated by the Director who did not sign the decision letter issued pursuant to Section 25-250.43 for the audit.
  
- .446      Where an oral hearing has been requested, SDSS will notify the auditee of the time and place of hearing as soon as possible. Representatives of the auditee and SDSS will attend the hearing and present information. The hearing will be conducted by the Chief Deputy Director; an administrative law judge designated by the Director; or a Deputy Director of SDSS designated by the Director who did not sign the protest decision letter issued pursuant to Section 25-250.43 for the audit. A proposed decision will be rendered based on the written record and information presented at the hearing.
  
- .45      The Director shall adopt the proposed decision rendered by the Chief Deputy Director or the Director's designee as specified in Sections 25-250.445 and .446 or adopt an alternate decision based on the written record and information presented at the hearing, if any. The auditee will be notified of the final decision within 30 days of the Director's adoption of the final decision.
  
- .46      Any time limit imposed by this section may be modified by SDSS upon a showing of good cause.

.5      Federal Audit

Fiscal representatives of the DHHS visit each auditee from time to time to audit records and accounts in support of aid or administration claims for which there is participation of federal funds.

**25-250      AUDIT AND AUDIT APPEALS PROCESSES (Continued)      25-250**

Exceptions developed by fiscal representatives of the DHHS are written in formal schedules and are transmitted by that agency to the SDSS. Copies of such schedules as are applicable to the individual auditee are transmitted to it by the Fiscal Policies and Procedures Bureau, SDSS. The transmittal letter will indicate the date by which protest material must be submitted by the auditee, if a protest is made. Any protest shall be filed with the Fiscal Policies and Procedures Bureau and shall be accompanied by full supporting data. (See Section 25-250.6)

The SDSS will take action with the DHHS to clear, concur in, modify, or appeal the exception. If cleared, no further action is necessary. If concurred in or modified, the necessary adjustment is made by the SDSS on a current auditee claim. If the SDSS files an appeal with the DHHS, no immediate action is taken to adjust on a current claim. Later, if the appeal is granted, the result will be the same as a clearance with no further action necessary. If the appeal is denied, adjustment will be made by the SDSS on a current auditee claim or as otherwise appropriate.

**UNDER NO CIRCUMSTANCE IS THE AUDITEE TO ADJUST EXCEPTIONS CONTAINED IN THE AUDIT REPORTS UNLESS NOTIFIED BY SDSS.**

**.6      Supporting Data For Audit Issues**

Full supporting data to clarify or disprove an audit issue consists of, but is not limited to, the following: copies of pertinent letters, records, and/or additional documents, schedules, and referenced manual sections.

There may be times when presented material or data will not fully justify clearance of audit exceptions but will raise question as to the full validity of the exception. In these instances, auditees will be notified that although protest material was not sufficient to clear the audit exception, an adjustment may be made when the auditee provides additional supporting data. The adjustment and supporting data will be subject to subsequent audit verification.

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**FISCAL MANAGEMENT AND CONTROL  
AID AUTHORIZATION ACTION AND FISCAL CONTROL**

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**25-300**      **AID AUTHORIZATION ACTION AND FISCAL CONTROL**                      **25-300**

**25-301**      **AID AUTHORIZATION ACTION**                      **25-301**

- .1 All payments of aid or other actions affecting the aid status of a recipient or applicant for aid shall be authorized by completing and placing in line for processing authorization documents specified or approved by the Department, in accordance with instructions for their use.
  - .11 A specific certification on each authorizing document shall bear the signature of the county welfare director, or his/her delegated agent. (See Fiscal Management and Control Handbook Section 25-310(b).)
  - .12 The authorization shall occur prior to execution of the action, shall be explicit and not indicative of action by implication.
  - .13 Each county treasurer is required to establish a program for direct deposit by electronic fund transfer of payments. This subsection shall apply in each county that offers a program for direct deposit by electronic fund transfer to some or all of its employees and the terms and conditions of the direct deposit shall be the same for employees and recipients.
    - .131 An electronic fund transfer means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account.
  - .14 Any recipient eligible to receive a public assistance payment(s) may authorize their grant to be directly deposited by electronic fund transfer at the financial institution of his/her choice. The financial institution of recipient's choice must be a participant in the Automated Clearing House.
    - .141 Public assistance payment means cash assistance provided to, or on behalf of, a person eligible for a public assistance program as provided for in Part 3, Division 9 of the Welfare and Institution Code. Public assistance payments include, but are not limited to, a warrant, electronic fund transfer, or check. Public assistance programs include, but are not limited to, the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, the Refugee Resettlement Program-Refugee Cash Assistance Program, and Kinship Guardianship Assistance Payment (Kin-Gap) Program.
    - .142 Payments to a service provider for services rendered to a recipient may be made by electronic fund transfer at the county's option. The services may include, but are not limited to, child care and foster care.
- .15 For purposes of Section 25-301, the following definitions apply:

**25-301                      AID AUTHORIZATION ACTION (Continued)                      25-301**

- .151 Financial institution is defined as an institution, deposits of which are insured by a federal deposit insurance agency or instrumentality, or a private share insurance or guaranty arrangement including, but not limited to, banks, savings banks, savings associations, credit unions, and industrial loan companies.
- .152 Account is defined as a demand deposit checking, savings or share draft account established primarily for personal, family or household purposes.
- .2 The director may delegate in writing his/her authority to deny, grant, change, or discontinue aid payments only as follows:
  - .21 To specific named persons or occupants of designated functional positions, the authority to sign the delegate's name as an authorized representative of the director;
  - .22 To specific named persons or occupants of designated functional positions, the authority to sign the welfare director's name and to show the delegate's initials immediately following the signature;
  - .23 To specific named persons or occupants of designated functional positions, the authority to affix the director's facsimile stamped signature and to show the delegate's initial immediately following the stamped signature.
    - .231 When the facsimile stamps are not in use, safes, locked files, or other such devices shall be used to render them unavailable to unauthorized persons.
  - .24 For those computerized counties which use an electronic signature to authorize aid payments and other actions affecting the aid status of a recipient or applicant for aid, the county welfare director may delegate in writing his authorization authority to specific named persons or occupants of designated functional positions.
    - .241 Computer systems which utilize an electronic signature shall produce a hardcopy "turnaround" document which bears on it the certification as is printed on the State Authorization Document, Form ABCD 278L. (See Fiscal Management and Control Handbook Section 25-310(b).)
    - .242 The "turnaround" document shall be returned to the person who input the data. The person shall:
      - (a) check the data to ensure that it was input correctly,
      - (b) initial or sign the certification.

**25-301**                      **AID AUTHORIZATION ACTION (Continued)**                      **25-301**

- .243    Computerized counties which utilize an electronic signature system shall maintain a manual "backup" system for use only when the computer system is inoperable.
- .244    For computerized counties which utilize an electronic system, the date of input, i.e., the date on which the authorized county staff person enters the data into the computer system, shall be the date of authorization.
  
- .3      Retention of Delegation of Authority
  - .31    Delegation of authority to grant, deny, or change aid payments issued and signed by the director shall be retained in file as required in MPP Section 25-200.3.
  
- .4      The following actions shall be authorized only by the director or the director's authorized delegate.
  - .41    Authorization to Commence Aid

Authorization to commence aid shall be processed as follows:

    - .411    An input document shall be prepared and filed in case number order in the master file of continuing aid grants for the applicable aid program;
    - .412    The final date shall be designated for acceptance of input documents for inclusion in the master payroll run for the following month;
    - .413    Payments and payrolls shall be run when the final group of documents is processed for inclusion in the master file.
  - .42    Authorization to Change a Continuing Grant
    - .421    An authorization to increase or decrease a continuing grant shall be processed by deleting the former payment instructions from the master file and substituting the data provided by the new authorization.
  - .43    Authorization for Supplemental Payment
    - .431    Current month and/or prior month supplemental payments (i.e., payments which must be made after the preparation and release of the master payroll for a given month) shall be authorized by the director of the director's delegated agent.
    - .432    Supplemental payments shall be authorized in the procedure utilized in the particular county, i.e., facsimile stamp, electronic signature, etc.

**25-301                      AID AUTHORIZATION ACTION (Continued)                      25-301**

.44 Authorization for Discontinuance

.441 An authorization for discontinuance shall result in removal of the entry from the master file.

.45 Authorization After Death

.451 When an aid payment is authorized after death for a recipient of CalWORKs, Refugee Resettlement Program-Refugee Cash Assistance, Cuban-Haitian Entrant Program-Entrant Cash Assistance, or Refugee Demonstration Project Cash Assistance Program, for periods prior to the first of the month following his/her death, the normal authorization procedure in that particular county welfare department is utilized.

.5 Cancellation of a Public Assistance Payment

.51 A public assistance payment to which a payee is not entitled and any voided public assistance payment shall be cancelled by claiming the public assistance payment on the payroll and offsetting the claim on the Cancellation Contra Roll.

.6 Action Documents

.61 Action documents shall be processed at least once, and preferably twice, each week to enable disbursement of payments with the least possible delay. A continuous flow of daily actions, within limitations of master payroll cutoff dates, shall take place.

.611 Provision shall be made to continue authorizing new cases and restorations from the master payroll cutoff dates through the last day of the month to enable commencement of aid in accordance with MPP Section 44-317.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063(a), 10553, 10554, and 11006.2, Welfare and Institutions Code; Section 4981(a)(2), Financial Code; and Section 1748.30(b), Civil Code.

**25-302            REISSUANCE OF PUBLIC ASSISTANCE PAYMENTS REPORTED                      25-302**  
**LOST, STOLEN, DESTROYED, OR LOST IN THE MAIL**

- .1    A public assistance warrant which as been lost, stolen, destroyed, or lost in the mail shall be reissued in compliance with Government Code Sections 29850 through 29854. (See Fiscal Management and Control Handbook Section 25-330.6.)
- .2    In any public assistance cash payment program which requires semi-monthly payments to the recipient, when the CWD is notified by a recipient that the first warrant for the month has been lost, stolen, destroyed, or lost in the mail, the release of the second warrant for that month shall be advanced immediately. The CWD shall expedite reissuance of the warrant which was lost, stolen, destroyed, or lost in the mail in accordance with Section 25-302.1 and Fiscal Management and Control Handbook Section 25-330.6.
- .3    Any public assistance payment made by an electronic fund transfer that was not completed due to, but not limited to, closed account, the failure of an electronic fund transfer, or the payment inadvertently went to the wrong account, shall be reissued in compliance with Government Code Sections 29850 through 29854.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 11006.2, Welfare and Institutions Code; and Sections 29850, 29851, 29852, 29853, 29853.5, and 29854, Government Code.

**25-303            PUBLIC ASSISTANCE PAYMENTS AFTER DEATH                      25-303**

- .1    If an eligible recipient in CalWORKs, Refugee Resettlement Program-Refugee Cash Assistance, Cuban/Haitian Entrant Program-Entrant Cash Assistance, or Refugee Demonstration Project Cash Assistance Program case dies on, or after, the first day of the month, aid shall be paid for the full month in which the recipient died in accordance with MPP Section 44-207.3.
- .2    If a CalWORKs payee dies, see MPP Section 44-305.12. A public assistance payment shall not become part of the payee's estate when a new payee is to be determined. Such instances shall include, for example, protective payments made to a substitute payee, and payments made to a legally appointed guardian or conservator.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063(a), 10553, 10554, and 11006.2, Welfare and Institutions Code.





**25-306**      **VENDOR PAYMENTS -- ACCOUNTABILITY AND REQUIREMENTS**                      **25-306**

Counties making vendor payments shall establish authorization, payment, and claiming procedures as specified below.

.1      Monthly Authorization

The following information shall be included on the authorizing document:

- .11      Effective date of payment;
- .12      Portion to be paid vendor(s);
- .13      Portion to be paid without restriction to the payee.

.2      Methods of Payment

Acceptable methods of vendor payment include use of county warrants or issuance of county requisitions to vendors.

.3      Unexpected Balances of Aid

Any unexpended balance of authorized aid not encumbered by outstanding vendor orders, or not fully utilized upon completion of such orders, shall be paid to the recipient by a county public assistance payment. If the recipient cannot be located, the unexpended balance shall be abated to federal, state, and county funds as applicable depending on the source of the aid funds at the time the funds were authorized.

- .31      Such remaining funds shall be abated when the case is discontinued or when the public assistance payment is claimed as a cancellation.

.4      Vendor Payment Records

Vendor payment records shall include audit information such as the following:

- .41      Amounts authorized and paid for identified budget items;
- .42      Encumbrances;
- .43      Vendor orders issued, paid, and outstanding;
- .44      Evidence enabling determination of any unexpended balance of aid.

.5      Vendor Payment Accounting Systems -- General

Counties shall utilize a payment accounting system which ensures balancing of vendor payments with total amounts authorized and claimed, and ready audit verification by state representatives. Use of any of the following accounting systems, as specified in MPP Section 25-306.1 through MPP Section 25-306.94, et seq., shall be considered acceptable:

- .51      Welfare disbursement fund;
- .52      Trust funds;
- .53      Trust accounts within welfare disbursement funds;
- .54      General Assistance procedures;
- .55      Procedures utilizing SDSS Forms ABCD 278L, List of Authorizations to Start, Change or Stop Aid Payments and ABCD 278M, Authorizations to Start, Change or Stop Aid Payments.

<b>25-306</b>	<b>VENDOR PAYMENTS -- ACCOUNTABILITY AND REQUIREMENTS</b>	<b>25-306</b>
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(Continued)

.6 Welfare Disbursement Fund

Counties making vendor payments directly from the welfare disbursement fund shall meet the following criteria.

- .61 The entire grant shall be authorized on the Form ABCD 278L;
- .62 The unrestricted portion of the grant shall be paid by a public assistance payment to the recipient;
- .63 Vendor bills shall be approved for payment, but a new grant authorization on the Form ABCD 278L shall not be taken because this would result in a duplicate action;
- .64 Approved vendor bills shall be paid by warrant;
- .65 Any unexpended balance following deductions for outstanding vendor orders shall be paid by a public assistance payment to the recipient.

.7 Trust Funds and Trust Accounts

.71 Counties making vendor payments through use of trust funds shall meet the following criteria:

- .711 The entire grant shall be authorized on the Form ABCD 278L;
- .712 The unrestricted portion of the grant to the recipient shall be paid by public assistance payment from the welfare disbursement fund;
- .713 total amount of budget items to be supplied through vendor orders shall be transferred from the welfare disbursement fund to the trust fund and credited to the individual recipient's account, which shall be maintained therein;
- .714 Approved vendor bills shall be paid by warrants drawn on the trust fund and debited to the recipient's account;
- .715 Any unexpended balance in the account following deductions for outstanding vendor orders shall be paid by public assistance payment to the recipient.

.72 Counties making vendor payments through use of a trust account within the welfare disbursement fund shall meet the following criteria:

- .721 The entire grant shall be authorized on the Form ABCD 278L;
- .722 The total amount shall be credited to a trust account within the welfare disbursement fund for the individual recipient;
- .723 The unrestricted portion of the grant payment to the recipient shall be recorded and disbursed by public assistance payment through the trust account;





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**FISCAL MANAGEMENT AND CONTROL  
ACTION UPON DISCOVERY OF OVERPAYMENT OF AID**

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**25-480 CLOSING OF REPAYMENTS RECEIVABLE ACCOUNTS 25-480**

Accounts may be closed only when one or more of the circumstances listed below exists. The account shall be reactivated if and when none of these circumstances continue to exist.

- .1 The debt is fully repaid.
- .2 The cost of collection would equal or exceed the amount of the debt.
- .3 The debt is discharged in bankruptcy proceedings.
- .4 The Statute of Limitations has run on the debt.
- .5 The debtor is deceased and there is no feasible means of recovery from the estate or the heirs.
- .6 The repayment receivable account was erroneously established.
- .7 When the debtor's whereabouts is unknown.
- .8 Upon the written recommendation of the District Attorney or County Counsel specifying the reason.

In closing accounts when the issue relates to the excessive cost of recoupment, (.2 above), county welfare departments must follow the procedure outlined in Government Code 25257 which states "Any county department, officer or employer or any officer of a judicial district located within the county charged by law with the collection of any county tax assessment, penalty or cost, license fees or money owing the county for any reason, or any fine, assessment or penalty imposed by a municipal or justice court, which is due and payable, may file a verified application with the board of supervisors for a discharge from accountability for the collection of such tax assessment, penalty or cost, license fees or money owing the county for any reason, or fine, assessment or penalty imposed by a municipal or justice court, if the amount is too small to justify the cost of collection."



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**FISCAL MANAGEMENT AND CONTROL  
GOVERNMENTAL PARTICIPATION IN AID PAYMENTS**

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Repealed by Manual Letter No. FMC-86-06, effective 8/6/86.

<b>25-501</b>	<b>DETERMINATION OF STATUS</b>	<b>25-501</b>
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Each county shall make a correct determination of the status of each recipient of aid in regard to availability of state and federal participation in the aid payments.

<b>25-502</b>	<b>REPORTING OF STATUS FOR CLAIMING PURPOSES</b>	<b>25-502</b>
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For claiming purposes, persons counts are reported to reflect status of the money payment.

- .1 When an individual or an assistance unit is transferred from one aid program to another aid program and payments are made from both programs for portions of the same month, persons counts shall be claimed on both programs. Persons counts shall be claimed with each first payment issued in the pertinent program(s).
- .2 Repealed by Manual Letter No. FMC-90-03, effective 10/1/90.

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

<b>25-503</b>	<b>MANDATED INCREASED COSTS</b>	<b>25-503</b>
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Repealed by Manual Letter No. FMC-86-06, effective 8/6/86.

<b>25-504</b>	<b>LOCAL COST REIMBURSEMENT SYSTEM</b>	<b>25-504</b>
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Repealed by Manual Letter No. FMC-86-06, effective 8/6/86.

<b>25-505</b>	<b>COSTS MANDATED PRIOR TO JULY 1, 1977</b>	<b>25-505</b>
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Repealed by Manual Letter No. FMC-86-06, effective 8/6/86.

**25-506 PARTICIPATION IN EXCEPTION PUBLIC ASSISTANCE PAYMENTS 25-506**

For claiming of otherwise available federal and/or state participation, public assistance payments must be payable to the payee as designated in the specific program regulations. (MPP Sections 44-305.12 and 45-301.1 and .2). Exception: In instances when the welfare trust account for the specific program has not been charged with the full cost of payment to which the recipient is eligible, and the funds are owed to an entity other than the recipient, a warrant may be payable to such entity. Public assistance payments may also be issued to accomplish the transfer of funds between accounts where necessary to comply with CDSS instructions.

**HANDBOOK BEGINS HERE**

Example: A \$50.00 Child/Spousal Support Disregard (CSSD) warrant is erroneously mailed to the "wrong" recipient (i.e., Recipient X instead of Recipient Z). Recipient X's grant is reduced to recover the CSSD payment. At this point, the CSSD payment has been recovered but the welfare trust account has not been charged with the actual grant cost and the county only account is short \$500.00. The above regulation authorizes the county to write a warrant on the welfare trust account to transfer the recouped \$50.00 child support money to the county only account.

**HANDBOOK ENDS HERE**

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

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**FISCAL MANAGEMENT AND CONTROL**  
**FORMS RETENTION AND COUNTY ADMINISTRATIVE EXPENSE CONTROL**

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**25-600      FORMS RETENTION AND REPORTING REQUIREMENTS      25-600**

.1      Retention Schedule

State forms listed in Handbook Chapter 25-600 and their supporting records must be retained by the county as required by MPP Section 23-353 unless notification has been received from the DSS that there are unresolved audit issues. The exceptions are:

- a.      ABCD 830 original shall be retained in the case record. ABCD 830 duplicate and triplicate may be destroyed after overpayment is recovered.
  
- b.      All DFA 117 forms shall be retained for the minimum period after disposal of the property.

This retention schedule is for fiscal purposes of the DSS and does not authorize the county to destroy any of those records which have a longer retention period required by other laws or regulations.

.2      Reporting Requirements

Counties are to report assistance and administrative expenditures and maintain supporting records on the mandatory forms listed in Handbook Chapter 25-600. These forms may not be substituted unless prior approval of DSS, Fiscal Policy and Procedures Bureau, is obtained.

**25-650 GENERAL****25-650**

Reimbursement for the state share of AFDC and Nonassistance food stamps (NAFS) administrative expenditures is subject to and in accordance with the provisions of the department's AFDC and NAFS cost control plans.

**25-660 SUMMARY OF COST CONTROL REQUIREMENTS - AFDC AND NAFS 25-660****.1 Eligibility Staff Salaries and Benefits**

.11 Counties are grouped into large, medium, small and very small size counties on the basis of caseload size and/or number of staff. For AFDC, each group is rank-ordered by number of intake actions per eligibility worker and number of continuing cases per eligibility worker. For NAFS, counties are rank-ordered by total activity per eligibility worker. These four county groupings and activity/staffing levels constitute the basic framework for cost control in AFDC and NAFS. Respective base year means are utilized in AFDC and NAFS for the large, medium and small county groupings.

**.111 Large, Medium and Small Counties**

Large, medium and small counties which operated below their respective group's base year mean are asked, prior to cost control budgeting, to operate at their group's mean.

Large, Medium and small counties which operated above their respective group's base year mean are asked, prior to cost control budgeting, to maintain their actual base year activity level.

In AFDC, large and medium counties may be allowed a decrease in activity per worker toward their group's FY 74/75 mean. Small counties may be allowed a decrease in activity per worker toward their group's based year mean or their actual base year level, whichever is less.

In NAFS, large, medium and small counties may be allowed a decrease in activity per worker toward their group's base year mean or their actual base year level, whichever is less.

**.112 Very Small Counties**

Very small counties are determined by their rounded base year staffing level and prior to cost control budgeting are asked to maintain that level. A county may request additional staff but when staffing exceeds the levels prescribed for very small counties, the county becomes subject to small county controls.

**.12 First-line Supervisors**

.121 First-line supervisors are controlled by utilizing base year eligibility worker to supervisor ratios.

**.13 AFDC Quality Control**

.131 Quality Control staff are controlled by limiting counties to base year staffing levels.





**25-660      SUMMARY OF COST CONTROL REQUIREMENTS - AFDC AND NAFS      25-660**  
(Continued)

.4      Additional Provisions

.41      Cost-of-Living

.411      Cost-of-living increases are provided to counties subject to legislative mandate.

.42      Caseload Growth

.421      Appropriate allocation increases or decreases are applied relative to caseload fluctuations. Caseload adjustments are not made to very small counties which are funded based on number of staff.

.43      Cost Control Budgeting

To assure program needs are maintained, consideration is given to individual county requests (whether increases or decreases). All adjustments should be requested and justified in the cost control impact questionnaire and are subject to DSS approval.

A county's allocations may be increased in a specific cost area when it is necessary for unusual or compelling reasons. Conversely, a county's allocation may be decreased if funds are not required in a specific cost area.

.44      Transferability of funds

.441      Transfer of funds between AFDC and NAFS is prohibited.

.442      Transfer of funds within a program is allowed except to and from NAFS issuance.

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**FISCAL MANAGEMENT AND CONTROL  
REIMBURSEMENT FOR AID EXPENDITURES**

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Reimbursement for state and federal shares of assistance expenditures is subject to receipt of aid claims prepared and submitted by the counties in accordance with instructions and in a manner acceptable to the Department.

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**FISCAL MANAGEMENT AND CONTROL  
REIMBURSEMENT FOR ADMINISTRATIVE EXPENDITURES**

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**FISCAL MANAGEMENT AND CONTROL**

<b>Regulations</b>	<b>REIMBURSEMENT FOR ADMINISTRATIVE EXPENDITURES</b>	<b>25-803</b>
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**25-800 REIMBURSEMENT FOR ADMINISTRATIVE EXPENDITURES 25-800**

Reimbursement for state and federal shares of expenditures for administration of the public assistance programs are subject to receipt of claims prepared and submitted by the counties in accordance with instructions and in a manner acceptable to the department.

Each county shall maintain a record-keeping system which identifies programs to which expenditures are allocable and costs to each program.

Costs claimed must be necessary and appropriate to the efficient and economic administration of the programs and are subject to all regulations adopted by DSS.

State sharing for costs claimed for administrative expenses by each county shall be subject to the limitations of state funds as made available by budgetary appropriations. Federal sharing shall be subject to any funding limitation which may be imposed by the Federal Government.

**25-801 MANDATED INCREASED COSTS 25-801**

Repealed by Manual Letter No. FMC-86-06, effective 8/6/86.

**25-802 LOCAL COST REIMBURSEMENT SYSTEM 25-802**

Repealed by Manual Letter No. FMC-86-06, effective 8/6/86.

**25-803 COSTS MANDATED PRIOR TO JULY 1, 1977 25-803**

Repealed by Manual Letter No. FMC-86-06, effective 8/6/86.

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**FISCAL MANAGEMENT AND CONTROL  
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Accountability for state and federal shares of child support payments to the family under 45 CFR 302.51 is subject to receipt of child support claims prepared and submitted by the counties in accordance with instructions of, and in a manner acceptable to, the department.

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**FISCAL MANAGEMENT AND CONTROL  
GENERAL PROVISIONS**

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**25-100 GENERAL PROVISIONS 25-100**

**25-100 GENERAL FEDERAL-STATE-COUNTY RELATIONSHIPS 25-100**

Federal, state and county governments and agencies are jointly involved in the function of providing aid to the needy and rendering special social services as designated by law. The origin of this involvement stems from laws requiring the provision of assistance to needy persons and funds for such aid and the administration thereof. Federal and state laws also determine the roles to be played in this cooperative effort by each level of government.

.1 Federal Government

Except for SSI/SSP which is administered by the federal government, the federal Social Security Act delegates to the state governments responsibility for stewardship of federal funds for public assistance; requires provision of state participation in aid payments, and assigns to the state administration of certain assistance programs. In providing federal funds for assistance and administration, the Federal Department of Health and Human Services sets forth certain conditions, rules and standards which must be met by the state in order to qualify for federal participation in costs of public assistance payments and administration.

.2 State Government

The state governments must (except for SSI/SSP) submit a "State Plan" for administration of the welfare programs which meets federal requirements. The state may directly administer the aid programs and disburse payment of public assistance, or delegate these functions to local county government subject to regulation by the state department. The State of California chose the latter plan.

The State Department of Social Services (SDSS) is assigned a regulatory and general supervisory function in the dual function of (a) providing that requirements, rules and standards set forth in the State Welfare and Institutions Code are carried out and complied with, and (b) as the delegated agent of the federal government, that provisions of federal laws and rules are met.

.3 County Government

The county performs the actual function of serving applicants for and recipients of public assistance. It receives federal and state funds and participates with county funds in assistance payments which it disburses to or in behalf of aid recipients.

The county is largely autonomous with regard to local organization and administration, but is subject to regulations, standards, use and submission of certain forms and reports, etc., as required by SDSS pursuant to state and federal law.

**25-100 GENERAL FEDERAL-STATE-COUNTY RELATIONSHIPS (Continued) 25-100**

.4 Fiscal Administration of Welfare

.41 From the standpoint of fiscal administration of the public assistance programs, certain provisions of the Social Security Act are particularly applicable. Title IV-A, Aid to Families with Dependent Children FG and U and Title IV-E, AFDC-FC and Adoption Assistance, Titles XX and XVI, Social Services to the recipients of Supplemental Security Income for the Aged, Blind and Disabled and Title XIX, Medical Assistance Programs provide that:

.411 A state plan must provide for the establishment or designation of a single state agency with authority to administer or supervise the administration of the plan.

.412 The single state agency administers or supervises the administration of the plan on a statewide basis.

.413 The single state agency must have the authority to make rules and regulations governing the administration of the plan by such agency or rules and regulation which are binding on the political subdivisions, if the plan is administered by them.

.42 Title IV of the Immigration and Nationality Act specifies that in order for a state to receive refugee resettlement assistance from the allotments of funds under the Act that a state plan submitted to the Federal Office of Refugee Resettlement meet certain requirements. Included (but not inclusive) in these requirements are that:

.421 a state agency be designated as responsible for developing the plan, and administering, or supervising the administration of the plan,

.422 the state agency must provide for the care and supervision of, and legal responsibility for, unaccompanied refugee children in the state.

The requirements of state law, with respect to the supervisory functions of the State Department of Social Services, are contained principally in W&IC Sections 10552, 10553, and 10554.

<b>25-105</b>	<b>IMPLEMENTATION OF FISCAL MANUAL REGULATIONS</b>	<b>25-105</b>
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.1 Regulation and Handbook

A regulation is a rule, order, or standard of general application adopted by SDSS to implement, interpret, or make specific the law administered by it. A rule which relates only to the internal management of SDSS, gives instructions relating to the use of a form, or provides a guide to "How to do it" procedures is a generally accepted definition of handbook.

The "How to do it" does, however, serve a more important function than to merely guide or suggest. Proper adherence to handbook instructions assures achievement of compliance with the regulation to which it corresponds. Deviation from instructions or use of substitutes for mandatory forms for which prior written approval has not been obtained from the Department may result in noncompliance with regulation.

For example: MPP Section 25-200, Item 1, requires that each county shall present proper claims for aid payments. Since the Department designates the form and manner of presenting claims, audits the claims and approves claims for reimbursement, it is in practice the sole judge of what constitutes a proper claim. If the Department deems that a claim is not proper in relation to needed information and suitability for audit, such claim will be returned unapproved for revision.

Handbook material is furnished to enable the counties to get a required job done and remain in conformity with law and regulation. The interests of smooth and efficient operation, beneficial state-county relationships, uniformity and avoidance of administrative problems and negotiations can best be served by following methods set forth in this handbook.

<b>25-110</b>	<b>AID PROGRAMS AND SUBVENTION</b>	<b>25-110</b>
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The basic factor of eligibility to receive aid payments, common to all aid programs, is that the applicant or recipient be in need of public assistance. This means broadly that he does not possess sufficient income or other resources to meet his needs for maintaining a modest but reasonably satisfactory standard of living. Aid programs are defined in terms of basic program purposes in MPP Section 40-103.8.

Adoption subvention is provided in accordance with the California Administrative Code, Title XXII, Division 2, Chapter 3.

**25-115 MISCELLANEOUS TERMINOLOGY AND ABBREVIATIONS****25-115**

To ensure uniform understanding and application of certain words used throughout the manual and department correspondence the following definitions are given.

(a) (1) ACYF

Administration for Children, Youth and Families. The office in DHHS which administers funds under Title IV-E of the Social Security Act.

(2) Apparent Eligibility

This term means that the information provided on the Statement of Facts and information otherwise available to the county indicates that the applicant would be eligible for aid if the information on the Statement of Facts were verified.

(3) Applicant

The applicant is the individual, family, or child requesting (or on whose behalf a request is made) that aid be granted.

(4) AU

Assistance Unit. Also referred to as FBU - Family Budget Unit. The term indicates the number of related persons living as a unit (except for temporary absences) whose income and needs are used to determine eligibility for an assistance payment and/or social services.

(5) Authorization

The term "authorization" or "authorizing action" refers to action taken by the director of the county welfare department or the director's delegated agent(s) in granting, denying, restoring, increasing or decreasing payment of aid, and returning erroneous repayments or abatements.

(A) Delegated Agent

The delegated agent is a specifically named person or a person occupying a functional position delegated in writing to take authorizing action in lieu of the welfare director. The agent may be delegated the authority to either apply his own signature or a facsimile of the director's signature and his own initials.

## 25-115 MISCELLANEOUS TERMINOLOGY AND ABBREVIATIONS (Continued) 25-115

## (B) Action Date

The action date is the date the signature of the delegated agent (or the facsimile signature of the Welfare Director) is affixed to the authorizing document. The action date is often important in regard to effective date of aid, federal participation and determination of prompt payment of aid.

Authorization procedures are outlined in MPP Section 25-310.

## (b) Reserved

## (c) Reserved

## (d) (1) DHHS

Department of Health and Human Services

## (2) DHS

State Department of Health Services.

## (e) (1) Electronic Fund Transfer

A system whereby welfare payments are transferred directly from the county treasurer to a distribution center (e.g., the recipient's bank, or automated dispensing machine similar to automated teller machines, etc.) without writing and mailing individual welfare warrants.

## (2) Eligibility Determination Process

This is the means by which the county verifies the eligibility of an applicant for aid and services.

## (f) (1) Federally Eligible and Federally Ineligible

These terms are used to denote the meeting or failure to meet requirements for federal financial participation, see MPP Handbook Chapter 25-500.

## (2) FFP

Federal Financial Participation

## (3) FFY

Federal Fiscal Year. October 1, 19\_\_ through September 30, 19\_\_.

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**25-115 MISCELLANEOUS TERMINOLOGY AND ABBREVIATIONS (Continued) 25-115****(4) Financial Participation**

This term refers to the portion of the aid payment or of administrative costs borne by the federal, state and county governments.

**(5) FY**

Fiscal Year

**(g) (1) GC**

Government Code

**(2) Grant Adjustment**

For the purpose of recovering overpayment (or portion of overpayment), this consists of decreasing the grant to which the recipient is otherwise eligible in order to adjust for overpayment, (see MPP Handbook Chapter 25-400).

**(h) Reserved****(i) Reserved****(j) Reserved****(k) Reserved****(l) Reserved****(m) (1) MPP Handbook Section**

This designation is used to differentiate handbook material from regulatory material. Regulatory material must go through the Public Hearing and Office of Administrative Law (OAL) processes.

**(2) MPP Sections**

Refers to a specific regulation in the set of SDSS manuals known as the "Manual of Policies and Procedures."

**(n) Reserved**

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## 25-115 MISCELLANEOUS TERMINOLOGY AND ABBREVIATIONS (Continued) 25-115

## (o) (1) OFA

Office of Family Assistance. The office in DHHS which administers funds under Title IV-A of the Social Security Act.

## (2) Office of Administrative Law (OAL)

This office is the central agency in state government with the power and duty to review regulations to ensure that they are written in a comprehensive manner, are authorized by statute, and are consistent with other law.

## (3) ORR

Office of Refugee Resettlement. The office in DHHS which administers funds under Title IV of the Immigration and Nationality Act.

## (p) (1) Payee

The payee is the person to whom the aid warrant is drawn and who has the responsibility for its disbursement for the benefit of the recipient.

## (2) Persons Count (PC)

The term "federal persons count" refers to the number of recipients in a particular month in whose aid payment the federal government will participate. The term "nonfederal persons count" refers to the number of recipients in a particular month in whose aid payment the federal government will not participate, (see MPP Handbook Chapter 25-500).

## (3) Presumptive Eligibility Payment

This is an assistance payment made to an applicant, based on apparent eligibility and prior to the verification of eligibility for federal AFDC.

## (q) Reserved

## (r) (1) Recipient

The recipient is the person for whose benefit the aid is paid.

## (s) (1) SDSS

State Department of Social Services

25-115 MISCELLANEOUS TERMINOLOGY AND ABBREVIATIONS (Continued) 25-115

(2) SFY

State Fiscal year. July 1, 19\_\_ through June 30, 19\_\_.

(3) SSI - Supplemental Security Income

SSP - State Supplemental Program

Aid for the Aged, Blind and Disabled. (Administered by the Social Security Administration.)

(4) Subvention

Money appropriated by a government entity for the funding of specific programs (e.g., adoptions).

(t) Reserved

(u) Reserved

(v) Reserved

(w) Reserved

(x) Reserved

(y) Reserved

(z) Reserved

<b>25-130</b>	<b>GOVERNMENTAL PARTICIPATION IN AID PAYMENTS AND ADMINISTRATIVE EXPENDITURES</b>	<b>25-130</b>
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The federal government and the state government, through SDSS, reimburse county governments for certain expenditures incurred by them in payments of aid and in the administration of the welfare programs.

.1 Participation in Aid Payments

The state government participates in aid payments made by the counties which meet certain specific requirements as set forth in MPP Handbook Chapter 25-500 of this manual. The federal government participates in aid payments meeting the federal requirements specified in MPP Handbook Section 25-520. Charts of financial participation in aid payments and formulas for calculation of governmental shares therein are provided in MPP Handbook Sections 25-560 and 25-570.

.2 Participation in Administrative Expenditures

The federal and state governments reimburse county governments for certain expenditures incurred by them in administration of the welfare programs as provided in MPP Handbook Chapter 25-800.

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**25-140 CONFIDENTIALITY OF RECORDS****25-140****.1 Objectives**

In W&IC 10000 the Legislature expressed its intent that assistance be administered to the needy and distressed in such a way to encourage their self-respect, self-reliance, and their desire to be good and useful citizens. Assurance that the information which they give, and the facts about their circumstances, will be held in confidence is essential to the preservation of their dignity and self-respect, particularly when they reveal information under stress which they would not otherwise disclose.

W&IC 10850 implements the objective of confidentiality by protecting the rights of applicants or recipients against identification, exploitation, and embarrassment except when necessary legal action makes this objective impossible.

**.2 Nature of Confidential Information**

Names, addresses and all information concerning the circumstances of persons for whom or about whom information is obtained is confidential. This is true of all information, whether written or oral.

**.3 Release of General Information**

Release of general information that could not be identified with a particular individual by members of the community is permissible. Such information includes statements of the number of recipients, total expenditures per program or administration, average grant, and other information general in nature.

**.4 Release of Confidential Information**

Certain public officials, and their duly appointed agents and deputies are entitled to examine confidential information, if their request relates to the exercise of official duties connected with the administration of the program. Among these officials are:

**District Attorney or County Counsel:** In the administration of aid it is necessary to disclose information to these offices when they are conducting investigations, prosecutions, criminal or civil proceedings directly connected to public social services.

**County Auditor:** In addition to the authority to examine claims and other financial transactions in routine line of duty, the auditor may examine records as necessary to satisfy himself that fiscal accountability is being maintained and that procedures relating to payment, claiming and repayment of aid are proper and effective.

**Field Auditors and Representatives:** Field auditors and other representatives of SDSS and DHS, State Controller's Office, and DHHS are authorized to examine such records as necessary to perform fiscal audit or procedures review.

The right of public officials to examine public assistance records does not exist if the request is for a purpose not directly connected with the administration of the assistance programs, such as traffic violation, tax fraud investigation, etc. In case of doubt concerning the request, it is suggested that the problem be referred to the District Attorney or to SDSS.

Although an official or accredited agency representative has legitimate reason to examine public assistance records, information released should be confined to the scope of his investigation, e.g., if a representative conducting a review of time recording and allocation procedures should request to examine an aid payroll, he should be required to substantiate the necessity for reviewing this document unrelated to his study.

Confidential information shall be released only under the conditions specified in MPP Section 19-000 and W&IC 10850.3 and .7.

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**FISCAL MANAGEMENT AND CONTROL  
ACCOUNTABILITY**

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**25-200 ACCOUNTABILITY****25-200**

This chapter relates to the counties fiscal accountability for state and federal funds. Fiscal accountability may be defined as the responsibility for explaining amounts of money received and paid out. It is achieved by maintaining fiscal records to support such transactions, and preserving the records for the period required by law.

**25-210 MAINTENANCE AND PRESERVATION OF FISCAL RECORDS****25-210**

All forms required to be maintained by the counties are listed in MPP Handbook Chapter 25-600. Listed below are general records required to be maintained for fiscal accountability.

**.1 Cost Data Records**

- .11 For substantiation of claiming costs for building maintenance and services, building purchase, construction or alterations and improvements, complete documentation on the costs of space claimed is required to be maintained on file in the county, regardless of the method of claiming. This documentation may take the form of contracts, lease agreements, Board Resolutions, and any other information necessary to describe the facility and the conditions of occupancy. This material must be retained as long as the facility is occupied by the welfare department, and for a period of three years thereafter beginning with the first full fiscal year after vacating the building.

For space occupied under a straight lease or rental agreement, an additional requirements is imposed on the county. For each facility leased or rented, three comparable rental rates must be obtained and the rate for the facility under consideration must be within the highest comparable rate taking into consideration market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property. The definition of comparable rate may be found in the State Controller's Handbook of Cost Plan Procedures for California Counties, Chapter 3100.

- .12 Expenditures for Law Enforcement Agencies Engaged in Welfare-Related Activities

Records are to be maintained for costs directly connected with the administration of the Family Support Unit or other law enforcement agencies, under plans of cooperation with the county welfare department.

When the County-wide Cost Allocation Plan (A87) is used to either allocate or direct bill law enforcement costs to the welfare department, the methodology must be approved by the State Controller's County Cost Plan Bureau.

Whenever prior written approval is required for claiming, the approval letter shall be retained for audit purposes.

**.2 Payments Records**

Warrants for aid and administrative expense, administrative expense vouchers, warrant registers, and expenditure ledgers are maintained as basic documents in the general county accounting system; however, they are listed here with as inclusive in the list of basic documents necessary for accountability and audit.

Some counties use a copy of the aid payrolls as the warrant register in order to prevent duplication of listing.

**25-210 MAINTENANCE AND PRESERVATION OF FISCAL RECORDS (Continued) 25-210****.3 Property Inventory Records**

Retention of inventory records is necessary for identifying property and equipment when receiving state and federal funds. When property or equipment is transferred, traded, or sold, it may be subject to an abatement requirement. See MPP Handbook Section 25-815 on Reporting Reductions of Expenditures.

**.4 Records of Cash Receipts**

Accountability for cash received from or in behalf of aid recipients requires retention of copies of receipts to remitters, deposit permits, cash book record of monies received, and individual repayment receivable accounts.

**.5 Individual Aid Payment Records**

Records of all aid payments made to or in behalf of each recipient of aid must be maintained so that amount of aid paid in total or for any given period may be determined when necessary. Such information is needed in computing supplementary payments for past period and for setting up overpayment accounts. The significant amount in the above situations is the net amount of aid paid, with cancelled warrants and abatements deducted from the gross total of warrants issued.

Case record authorization document ABCD278L or its equivalent provides all necessary information for these purposes, providing abatements of aid are posted thereon. For case record retention see MPP Section 25-353.

**.6 Accessibility of Records to Audit**

The rule stating that all required forms be filed readily accessible to audit generally covers all situations. Following are special requirements for filing of certain forms or records:

**.61 County Copies of Aid Claims**

Each county shall retain at least one copy of all aid payrolls, contra rolls, schedules, and claim correction letters. For state and federal audit purposes, these should be filed together chronologically by program and made accessible at a central location. These county copies shall be exact duplicates of those submitted in claims to the state and shall not be used by the county as working copies in preparation of subsequent claims. With these, the county shall retain all claims records together with the state claim correction letter, which is returned to the county after state office audit.

**.62 Records in Support of Administrative Expenditure Claims**

The copy of each quarterly claim for administrative expenditures, returned to the county after state office audit together with the state claim correction letter and any supplemental county schedules or worksheets shall be filed together by quarter in a place convenient to state and federal auditors.

To the extent possible the county auditor should file vouchers for welfare expenditures together rather than intermingled with other vouchers for general county expense.

**.63 Filing of Categorical Aid Warrants**

Warrants issued in payment of aid should be filed separately and not intermingled with other warrants paid from the county fund from which disbursed. A separate series of numbers for welfare aid programs is desirable for audit purposes.

**25-210 MAINTENANCE AND PRESERVATION OF FISCAL RECORDS (Continued) 25-210**

.7 Retention of Records

The retention period for supporting records is outlined in MPP Handbook Section 25-602.

.8 Destruction of Fiscal Records

Fiscal records containing names, addresses and data regarding individual recipients of aid shall be destroyed in such manner as to ensure defacing such names and data. Burning or shredding are effective methods of carrying out this purpose. Discarding the records in a public dump would be highly unsatisfactory unless steps were taken to assure that the records would be burned immediately.

**25-220 ACCOUNTABILITY FOR STATE AND FEDERAL FUNDS 25-220**

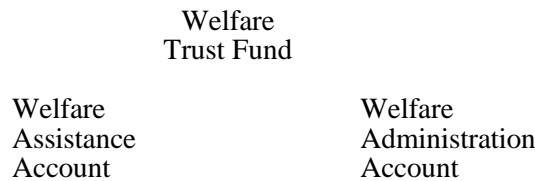
.1 Trust Funds and Accounts

The purpose of a trust fund is to set apart from general funds monies which are provided for a specific purpose, and which are in fact the property of the party providing the monies until such time as they are legally expended for the purpose designated.

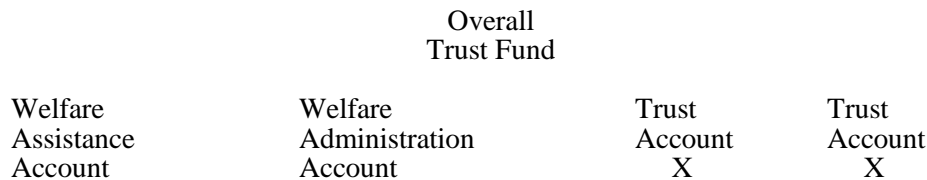
Revenues to the counties from taxes and other sources belong to the county and are subject, in cases of emergency, to diversion from the purpose for which originally intended to meet other urgent needs. The state requires that advances of federal and state monies for welfare aid and administration be deposited to a trust fund in order to ensure that the monies will be available at all times for legal expenditures for welfare purposes.

Advances shall be deposited to a special welfare trust fund with accounts for welfare assistance and welfare administration, or to a single county trust fund which includes trust monies from all sources, with recording of deposits and disbursements made to separate accounts according to the ownership source of the funds.

Example A. (Preferable) Separate Welfare Trust Fund



Example B. (Acceptable) Single County Trust Fund



MPP Section 25-200 states that county monies shall not be commingled with state and federal monies in the welfare assistance and administration accounts in the trust fund. This is for the purpose of preserving the identity of federal and state monies and to lessen the possibility of fund shortages and budgetary difficulties at the county level.

**25-210 MAINTENANCE AND PRESERVATION OF FISCAL RECORDS (Continued) 25-210**

.2 Disbursements of Federal and State Monies

Since individual disbursements of payments for aid and administration are made by a single warrant covering federal, state and county shares, direct disbursement by warrants from the trust fund is not possible. Therefore, it is necessary to transfer federal and state shares of the cost of assistance and administration from the trust fund to county disbursement funds.

Federal and state shares of expense are not determined until after payments for the month have been made and claims prepared. Therefore, transfers from the trust fund to the county disbursement fund must either be delayed until claims are prepared, or made on a basis of estimation with subsequent adjustment.

.3 Methods of Transfer

The basic transactions relating to the Welfare Trust Fund accounts are:

- a. Deposit and recording of advances, both federal and state funds, received from the State Controller for aid and administration.
- b. Transfer from the trust fund to the county fund from which welfare aid and administration expense is disbursed.
- c. Adjusting transfers between the trust accounts and the disbursement fund.

The system of transferring monies from the trust fund to the disbursement fund may be determined by the individual county's financial situation. If the county has sufficient funds to operate the system, the simplest method is to withhold the transfer until actual federal and state shares are determined from approved claims. This eliminates the necessity of making adjusting transfers.

.31 Method A	Debit	Credit	Balance
a. Balance in fund			X
b. State advances for assistance		X	X
c. Transfer to county disbursement fund (based on actual federal and state shares of aid as shown on the approved claims)	X		X

A variation of this method may occur when a county has sufficient funds to enable delaying the transfer until county claims are completed, but cannot delay transfer until the corrected claims are returned from the state. This would change Step c. above and add Step d.

.32 Method B	Debit	Credit	Balance
c. Transfer to county disbursement fund (based on actual federal and state shares as shown on claims as submitted to state)	X		X
d. Adjusting transfer in net amount of state claim correction	X or	X	X

If the county does not have sufficient funds available to operate the above system, the amount transferred will be the estimated amount of federal and state shares for the month as shown below:

<b>25-220</b>	<b>ACCOUNTABILITY FOR STATE AND FEDERAL FUNDS (Continued)</b>	<b>25-220</b>
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		Debit	Credit	Balance
.33	Method C			
a.	Balance in fund			X
b.	State advances for assistance		X	
c.	Transfer to disbursement fund (based on estimated need for federal and state funds)	X		X
d.	Adjusting transfer to correct the difference between amount transferred to disbursement fund on basis of estimation, and total of federal and state shares allowed by the state on approved claims	X or	X	X

Item d. will result in a fund transfer either from the trust fund to the disbursement fund, or vice versa.

The above method avoids making an additional transfer in order to reflect the state claim adjustment by delaying the transfer until the approved claims are returned by the state. Unlike the situation supposed in Method B, the county can afford to await the approved claim because sufficient funds have been provided to the disbursement fund on a basis of estimation.

When Method C is used, the amount of assistance monies to be transferred may be determined by any of the following:

- a. Estimated amount of federal and state funds to be claimed based on current master payrolls or on previous month's claims.
- b. The state's estimate for the month as shown on the Statement of Cash Advances. (The county will have already received the statements in time to make the transfer.)
- c. A specific amount, which will be a little less than the claims total, based on a review of federal and state shares claimed for several months. For example: Federal and state funds for all aids for assistance allowed for January, \$453,052; February, \$452,763; March, \$452,671. The county may decide to transfer each month \$450,000. This method has two advantages:
  - (1) The adjusting transfer (Item d.) is always the difference between the approved claim and \$450,000.
  - (2) As the transfer is always a little less than the approved claim, the transfer will always be one way, from the assistance trust account into the county welfare aid fund.

**25-220**      **ACCOUNTABILITY FOR STATE AND FEDERAL FUNDS (Continued)**      **25-220**

.4      **Subsidiary Accounts**

Regulations do not require maintenance of subsidiary welfare accounts showing breakdown to aid programs and federal and state funds.

The SDSS maintains assistance and administrative expense accounts of advances and approved claims for each county broken down to aid program, federal and state shares. Since these detail records are available, there is no purpose in repeating the detailed posting processes in the local agencies.

Some county auditors feel that it is necessary to maintain subaccounts by program for various county purposes, but in most cases the auditor utilizes other available records or recognizes that some of the local uses made of the subaccounts are not essential, and eliminates this extra work which is not required by the state.

**25-230**      **CONTROLS ON AUTHORIZATIONS TO PAY OR DISCONTINUE AID**      **25-230**

In support of Form ABCD820, Reconciliation Statement, (see MPP Handbook Section 25-600) required to be submitted with each monthly aid claim, (see MPP Handbook Chapter 25-700 for claiming procedure), each county shall maintain in an auditable manner and conveniently accessible to state and federal auditors, the following records:

- a.      A register, or its equivalent, supporting the reconciliation statement and summarizing the money effect of actions taken by the county welfare director or is/her delegated agent(s) in granting, modifying, or discontinuing aid. Form ABCD822, Register of County Authorizations, is recommended as being applicable in most counties for this purpose.
  
- b.      In addition to the completed, signed authorization documents required to be filed in individual case records, each county shall maintain a chronological file of authorization action documents (Form 278M or equivalent) grouped according to county welfare director or his/her delegated agent(s) action date. Such a group is hereafter referred to as a "batch." The individual documents shall be filed within each batch instate number order. To each batch shall be attached a recapitulation of the money effect of the documents included in it. This may be in the form of a listing or some other type of recapitulation suitable in the individual county. It shall, however, identify the individual cases entering into the batch totals. Form ABCD821, Batch Voucher, is recommended as being applicable in most counties for this purpose. The totals of each batch voucher shall be entered in the register of authorizations (or its equivalent) referred to in Item a., above. Batch vouchers shall be grouped and totaled separately for each type of assistance claim.

This procedure can be modified by the use of automated systems with adequate controls. Approval of such controls by SDSS is necessary to ensure that requirements are met.

**25-230 CONTROLS ON AUTHORIZATIONS TO PAY OR DISCONTINUE AID 25-230**  
(Continued)**.1 Reconciliation Statement, Form ABCD820**

The Reconciliation Statement see Section 25-600) is the final control which demonstrates on a total basis that each aid claim includes only payment amounts authorized by the county welfare director or his/her duly appointed agent(s), and that total payments made for the month are in agreement with total amount of aid authorized for the month. It also acts as a control on the master payroll or continuing grant total. Item 4 of the statement presents a predetermined master payroll total which can be verified to total of warrants issued prior to release for delivery on the first day of each month.

If total of master payroll warrants does not agree with predetermined total in Item 4 of the reconciliation, the initial check is to scan the "From" and "To" columns of the batch voucher for an amount equaling the amount of discrepancy or double that amount. (A batch voucher posting to the wrong column for an initial grant or discontinuance would cause a discrepancy of double the amount of aid granted or discontinued.) This is a quick check and often discloses a batching error.

If this initial check is unproductive, check "From" and "To" amounts on the batch voucher to corresponding postings on the authorization document Form 278M. Failure to locate an error by this method indicates that the batch voucher postings are presumably correct and the error lies in the amount paid. Although it may be considered as the most important check of all, checking from the "To" amount on the batch voucher to the amount paid shown on the payroll (payroll total should already have been balanced with total of warrants issued) is advised as the last step because generally errors are more likely to occur in batching than in payment.

Should all of these checks fail to identify the error(s), the remaining possibility would be that the prior authorization on the Form 278M was in error. With the preprint procedure for posting prior authorization, this should not occur but is a possibility. "From" amounts on the batch voucher (which have already been verified to the Form 278M postings) would then be checked to prior payrolls or case records. In event Item 4 balances with the master payroll but the total authorizations (Item 10) do not agree with total claimed (Item 11), reconciliation Items 5, 7 and 9 can be checked to corresponding payroll subtotals. This will identify the location of the discrepancy and isolate the search to that area.

Actually, at the time the reconciliation statement is completed there should be no discrepancy, because each batch voucher should be routinely balanced to payments and master file changes on a current basis. (See MPP Handbook Section 25-230.3, Batch Vouchers.)

**.2 Register of Authorizations, Form ABCD822**

The Register of Authorizations (See MPP Handbook Section 25-600) is an intermediate document between the batch voucher and the reconciliation statement. Batch voucher column totals are posted to corresponding columns on the register, then the register column grant totals of all batch vouchers totals for the month are posted to the reconciliation statement.

**25-230 CONTROLS ON AUTHORIZATIONS TO PAY OR DISCONTINUE AID** 25-230  
(Continued)

## .3 Batch Vouchers, Form ABCD821

The Batch Voucher (see MPP Handbook Section 25-600) is a multiple-purpose form. Its primary function is to act as the basic document in the process of effecting control and balance between amounts authorized and amounts paid. It is also important as a brief, readily accessible recapitulation of authorizations in case number order and by aid programs. This compact record is useful for county reference and is required for audit purposes.

Instructions for posting to the batch voucher, and from the batch voucher totals to the register of authorizations are contained on the reverse side of the ABCD821. In addition to use of the batch voucher in relation to preparation of the monthly reconciliation, a very important function is to effect reconciliation between authorizations and payments for each action date throughout the month.

The batch voucher enables direct verification between authorizations and payments. The following procedure will ensure accuracy of payments made for each disbursement date, and of changes made to the master deck of continuing aid authorizations:

- a. For each aid program check total of "From" amounts (Col. 3) of the batch voucher to list of grant amounts removed from continuing grantmaster file.
- b. Check total of "To" amounts (Co. 4) to list of new grant amounts.
- c. Check total of current and prior months supplemental warrants authorized to be issued (Co. 5 plus 7) to total of warrants prepared. (Or to payroll total verified to warrants issued.)
- d. Check total of "cancel warrant" Cols. 6 and 8 to tape total of warrants actually held and cancelled.

When these verification steps are taken for each disbursement date, current payments and changes are firmly controlled and there should be no difficulty in effecting master payroll reconciliation at the first of the month and total payroll reconciliation at the end of the month. Also a verification is made that prior months warrants authorized to be cancelled are actually cancelled and reported on the contra payroll.

Counties using a marked payroll copy of indicate continuing grant changes can use the reconciliation steps indicated by running tapes on amounts crossed off the payroll and amounts added to the payroll.

Where batch vouchers can be run at the end of the month by tabulating equipment, it is permissible to eliminate preposting to Form 821 (or equivalent). In such cases verification of agreement between authorizations and payments shall be established by verifying warrant totals and master deck changes to adding machine tape totals run from the authorizing documents.



**25-231 AID PAYMENT CONTROLS**

**25-231**

Controls pertaining to eligibility and changes in grant are included in the fiscal handbook because prevention of improper expenditure of public funds is of fiscal concern. This does not imply that the controls must be maintained by accounting or fiscal staff. All of the specified controls might be maintained in a central control unit, all in the fiscal unit, or some in the fiscal unit and others in program units or general clerical pool.

Types and methods of control vary from county to county. Following is a partial list of items which, if controlled, will help to eliminate underpayments, overpayments and/or improper claiming.

- .1 The child who is a patient in a public hospital on a temporary basis remains eligible if, on the first of the month for which payment is due, he has not been in the hospital for two full calendar months, irrespective of the day on which he entered. (See MPP Section 42-506.22.) Maintaining a list of each child who is in a public hospital and the date the child entered the hospital will help to prevent overpayments.
- .2 Special review must be given to an AU which includes a child who is 16, 17 or 18 years of age. See MPP Sections 42-101 and 42-630 for specific eligibility rules related to age and WIN registration. The establishment of a control per case number, name and birthdate is recommended in conjunction with individual county and eligibility worker controls. Similar types of control may be considered in enforcing other WIN registration requirements.
- .3 The time eligibility of all refugees/entrants based upon their date of entry/date of parole.

**25-234 CASH RECEIPT CONTROLS**

**25-234**

MPP Section 25-200, Item 5 places responsibility on the county for properly safeguarding public funds received from or on behalf of aid recipients or former recipients, and for properly reporting all such receipts to the state.

Although detailed methods of handling cash and effecting cash controls will vary from county to county, any system used in order to effectively discharge the assigned responsibility should embody the following generally accepted principles.

- .1 Employees receiving cash should not post to cash receipts journal.
- .2 Prenumbered receipts should be used for cash received.
- .3 Collections should be deposited daily.
- .4 Cash payments made in the welfare office should be received at one assigned collection point. Cash should not be routed to individual caseworkers.
- .5 Collections in the field should be discouraged as a routine procedure. Exceptions to this may be advisable if:
  - .51 Debtor for any reason has extreme difficulty in coming to the welfare office or obtaining a postal money order, and does not have a checking account.
  - .52 Payment is made by check or money order payable to the county welfare department.
  - .53 Recovery of money due the county would be definitely jeopardized by not accepting spot payment.
  - .54 Cash is collected by a bonded collection officer.
- .6 In order to assure reporting of all collections, a system or reconciliation between cash payments received and cash payments reported should be employed.

**25-235 EMPLOYEE SECURITY CONTROLS****25-235**

MPP Section 25-200, Item 6 states that adequate controls shall be maintained for preventing fraud and embezzlement on the part of county employees. The intent of the regulation is that controls be maintained which within reason will be adequate to discharge the welfare departments' responsibility for safeguarding public funds and protecting aid recipients from fraudulent acts. The county plan should effectively maintain controls to cover most possibilities of misuse of funds without going to administrative extremes which are unduly expensive or disruptive of basic welfare functions.

Suggested employee security controls are listed below to assist welfare agencies to evaluate the adequacy of their system in meeting the requirements for effective and comprehensive security controls:

- .1 Carefully check references of all applicants for employment in positions involving authorizing expenditure, disbursing, receiving or handling of money, to determine employee reliability.
- .2 Bond all case workers and employees handling cash. Bonds of not less than \$5,000 per employee are suggested, and amount should be on a par with the employee's fiscal responsibility.
- .3 Insofar as possible, assure that applicants for aid are seen by at least two welfare employees as a verification procedure. This applies particularly to departments where the intake process is not separated from ongoing casework functions.
- .4 Establish procedures so that persons who authorize aid do not also disburse aid payments or receive payments of aid. Preferably all aid payments should be mailed. If recipient calls for warrant personally, it should be delivered by an employee of the accounting or county auditor's office.
- .5 Provision should be made so that all aid payments are made to a competent person. If a recipient in a hospital or institution is not competent to handle his money, payment should be made to a duly appointed guardian or substitute payee. Warrants should not be delivered or addressed to county hospital employees.
- .6 Debtors should be informed of proper repayment procedures. According to county policy on collections in the field, the debtor should be instructed:
  - .61 To repay money only at the welfare department office or by mailing check or money order payable to the county welfare department, or:
  - .62 When making payment to a county representative outside the welfare office to request a receipt on which the name of the welfare department and a receipt number are printed.

**25-240 LIABILITY TO CLAIM CUT OR REDUCTION OF FUNDS****25-240**

- .1 Administrative Sanctions

Refer to MPP Section 25-240.

<b>25-250</b>	<b>AUDIT PROCEDURES</b>	<b>25-250</b>
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.1 SDSS Office Audit

Refer to MPP Section 25-250.

.2 State Field Audit

Refer to MPP Section 25-250.

.3 Federal Audit

Refer to MPP Section 25-250.

.4 Supporting Data for Audit Issues

Refer to MPP Section 25-250.

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**FISCAL MANAGEMENT AND CONTROL  
AID AUTHORIZATION AND PAYMENT PROCESSES**

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**FISCAL MANAGEMENT AND CONTROL  
AID AUTHORIZATION AND PAYMENT PROCESSES**

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**25-300 AID AUTHORIZATION AND PAYMENT PROCESS 25-300**

**25-300 AID AUTHORIZATION AND PAYMENT PROCESSES -- GENERAL 25-300**

.1 Purpose

This chapter relates to the following:

- a. Required authorization of aid payments;
- b. Special rules governing aid payments.

.2 (Repealed by Manual Letter No. FMC-86-05, effective 7/1/86.)

**25-310 AID AUTHORIZATION 25-310**

(a) Authorization Requirements

Authorization is necessary before aid can be granted, denied, changed, or discontinued, or before a warrant issued in payment of aid can be cancelled. The authorization must explicitly indicate the action to be taken and consists of affixing the official authorizing document. The date the signature is affixed is the authorization date.

(b) Certification Requirements

Each authorizing action shall be certified on individual documents by signature of the welfare director or delegated person. The following certification is printed on the State Authorization Document, Form ABCD 278L, and this exact wording shall be used on county substitutes for the form:

"I certify that the Statement of Facts Supporting Eligibility for Assistance is on file or that the facts have been verified by investigation; that the supporting evidence is open to inspection in the Department by duly authorized state and federal representatives; and that, to the best of my knowledge and belief, that action and amount specified are correct under existing law."

(c) Authorizing Signatures

Official signatures authorizing aid payment or changes are accomplished by the county welfare director or by a person or persons delegated by the county welfare director under the authority granted in W&IC 10803(a).

(d) through (l)

(Repealed by Manual Letter No. FMC-86-05, effective 7/1/86.)

**25-320 SPECIAL RULES GOVERNING AID PAYMENTS****25-320****(a) AFDC-FG and AFDC-U Payments**

In AFDC-FG and AFDC-U, payment is usually made to the caretaker relative responsible for care and control of the child in the home. The term "caretaker relative" is defined in MPP Section 44-203.22. Payment may be made to the legally appointed guardian or conservator of the caretaker relative, a substitute payee, or a vendor. See MPP Section 44-305.121.

When two or more AFDC family units, each with its own caretaker relative, live in the same household, there is a separate assistance unit for each caretaker relative, and each caretaker relative is a payee. See MPP Section 44-205.3 for exceptions.

**(b) Payment to Providers of Foster Care**

In AFDC-FC, the child resides in a licensed or approved foster care placement and payment is made to the foster care provider as specified in MPP Section 45-301. (See also MPP Handbook Section 25-530.2.) One warrant may be issued to the provider covering all the children given care during the month, or a separate warrant may be issued for each child or family group.

**(c) Changes in Amount of Payment**

When eligibility or proper grant level cannot be determined from available information, the county shall propose discontinuance if the recipient has failed to meet his/her reporting responsibilities, or shall release payment if the reporting responsibilities have been met. The county is not allowed to hold a warrant while verifying information. This does not preclude the county from establishing an internal procedure to control the release of a warrant when an appropriate notice of discontinuance has been sent to the recipient. (See MPP Section 22-022 and MPP Section 40-181.22.) Such procedures may be used when the recipient has initially failed to comply with reporting requirements, but cooperation is anticipated in the future.

**(d) Payments for Full or Partial Months**

If a recipient of AFDC-FG/U, RCA, ECA, or RDP is eligible for aid on the first day of the month, he/she is entitled to receive payment for the full month. If a recipient is eligible for aid after the first day of the month, or when the last day of aid is before the last day of the month as in the State-Only AFDC-U Program, the total grant shall be prorated as follows:

1. Determine the total monthly grant amount;
2. Determine the actual number of days in the month involved;



**25-320 SPECIAL RULES GOVERNING AID PAYMENTS (Continued) 25-320**

3. Divide this number into the monthly grant amount to determine the daily grant amount;
4. Determine the recipient's number of eligible days, which shall include the beginning date of aid and the date of discontinuance;
5. Multiply this number by the daily grant amount to determine the partial month's payment.
6. If the prorated grant amount is not a whole dollar, then the prorated amount shall be rounded to the next lower whole dollar. (See MPP Section 44-315.432 if this amount is less than ten dollars.)
7. If an AFDC-FC child remains in a foster care placement for a full month, the payment rate is determined by the type of placement. (See MPP Chapter 11-400.) If an AFDC-FC child resides in a foster care placement for a partial month, the grant is prorated. (See MPP SECTION 45-302.43.) The last date of payment for a child in foster care placement is the day preceding the day the child permanently leaves, is removed or runs away from an eligible facility. For exception to this, see MPP Section 45-302.511.

Note: Prorated payments may be computed using the reciprocal tables in MPP Handbook Section 25-565.

(e) Intraprogram Change

If an AFDC-FG or AFDC-U child is moved to foster care, or an AFDC-FC child is added to an AU, the effective date of the change is determined as specified in MPP Section 44-317.62, and the persons count is claimed as specified in MPP Handbook Section 25-502.52.

(f) Refund of Erroneous Collections

Monies erroneously collected from recipients in excess of the amount which is recoverable in accordance with MPP Sections 44-350 through 44-353 shall be refunded. See MPP Handbook Sections 25-740.8 and 25-740.10 for reporting of erroneous collections.

**25-320 SPECIAL RULES GOVERNING AID PAYMENTS (Continued)****25-320****(g) Adoption Assistance Programs-Federal and Nonfederal**

Effective October 1, 1982, the Aid for the Adoption of Children Program was discontinued and replaced by the Adoption Assistance Program which, for the first time, provided federal financial participation in assistance payments made to parents of adoptive children in specific circumstances. Those children adopted on or after October 1, 1982 who meet the federal eligibility requirements are claimed on the Adoption Assistance Program/Federal. Those children adopted on or after October 1, 1982 who do not meet the federal requirements are claimed on the Adoption Assistance Program/Nonfederal. Those children who were being aided on the Aid for the Adoption of Children Program on October 1, 1982 are claimed (until their eligibility expires) on the Adoption Assistance Program/Nonfederal.

Payments made to the adoptive parents in the Adoption Assistance Program (Federal and Nonfederal) must be made in accordance with MPP Section 45-804.32.

**(h) Time of Payment**

(1) Regular aid payments for AFDC-FG and AFDC-U recipients shall be delivered semimonthly in advance in accordance with MPP Section 44-305.221. In those counties with an approved alternate payment system, aid payments shall be delivered in two installments in accordance with MPP Section 44-305.222. The warrant shall be delivered only to the payee or otherwise according to the payee's instructions. (See MPP Section 44-305.123.) Whenever intervening holidays and weekends will delay delivery past the specified date, the warrant shall show the specified date, but shall be placed in the mail in order to be delivered on the last postal delivery day preceding the specified date. For delivery requirements in specific circumstances, see MPP Sections 44-305.25 through 44-305.29.

(2) In AFDC-FC, aid payment shall be made subsequent to the furnishing of care and shall be delivered no later than the 15<sup>th</sup> day of the month following the furnishing of care in accordance with MPP Section 45-303.1. This does not preclude the authorization of a supplemental AFDC-FC payment to meet the need for additional clothing, including an initial supply, in accordance with MPP Section 11-405.1, provided that prior to July 1, 1978 the following conditions were met:

- The county had a supplemental clothing allowance as part of their foster care plan for family homes; and,
- In those instances where the placement is in a group home (as opposed to a family foster home), the specific provider had the clothing allowance as an extra identified cost in addition to the group home rate.

**25-320 SPECIAL RULES GOVERNING AID PAYMENTS (Continued) 25-320**

(i) Immediate Need in AFDC-FG and AFDC-U

Applicants determined to be in immediate need and eligible for an immediate need payment shall be granted such payment prior to the verification of eligibility. (See MPP Section 25-520.3 and MPP Section 40-129(b).) The amount of an immediate need payment is the grant amount to which the applicant family would be entitled for the month of application computed in accordance with MPP 44-315.5 or \$200.00, whichever is less. If a family reapplies for an Immediate Need payment, a second Immediate Need payment may be made, provided the combined payments do not exceed \$200.00. [See MPP Section 40-129(b)(4).]

(j) Reimbursement to Foster Parents for Funeral Costs

Counties may claim amounts not in excess of \$2,275 per case for payment to foster parents for the cost of burial plots and funeral expenses incurred for children who were foster care recipients at time of death. (See MPP Section 11-405.2 and MPP Handbook Sections 25-526 and 25-753.) Providers of AFDC-FC institutional care are excluded from this allowance.

(k) Special Circumstances

Benefits for expenditures incurred by SSP recipients under certain special circumstances are payable upon the recipient's presentation of the vendor's bill to the county. Payment shall not be made for expenses that do not have prior authorization from the county unless the recipient submits evidence to the county to show that an emergency existed and that the expenses incurred were necessary and reasonable. Payment shall be made to the recipient or his/her representative payee except when, in the opinion of the county, vendor payment is more advisable (see MPP Section 46-425).

(l) Alternate AFDC-FC Payment System

Counties wishing to establish an alternate AFDC-FC payment system in which the county welfare department determines eligibility, authorizes aid, and reimburses the County Probation Department for actual aid payment must meet the following criteria:

1. A cooperative agreement between the probation department and the CWD must be in effect:
2. Provision must be made to assure authorization by the CWD preceding payment of the authorized amount by the probation department.

**25-320 SPECIAL RULES GOVERNING AID PAYMENTS (Continued) 25-320**

(m) Intercounty Disputes

Disputes regarding county responsibility for an applicant/recipient who moves from one county to another to make his home shall be referred to SDSS. If the dispute is decided in favor of the first county, as defined in MPP Section 40-187.11, that county shall submit the following information to SDSS:

1. Case number;
2. Name;
3. Persons count;
4. Federal/nonfederal status;
5. Month/year of grant;
6. Grant amount per month including special needs.

SDSS will compute the county participating share as paid by the first county and as would have been paid by the second county, and will make adjustment on the "For State Use Only" lines of the CA 800 (Summary Report).

Example:

	State Share	County Share
First County	\$10.00	(\$10.00)
Second County	(\$10.00)	\$10.00

**25-330 RULES GOVERNING AID WARRANTS 25-330**

1. Payee

The payee's name shall appear on the warrant as it appears on the latest authorization document, and shall be used in all correspondence, reports, records, and other data regarding the warrant.

2. Case Number

The case number may appear on the warrant, and shall be used in all correspondence, reports, records, and other data regarding the warrant.

**25-330 RULES GOVERNING AID WARRANTS (Continued)****25-330**

## 3. Identification of Public Assistance

Warrants shall not bear written reference to indigency or pauperism, but may, for county purposes, carry a code letter or number if such code is not generally understood by the public.

## 4. Time Limitation

Warrants shall bear on their face a statement that they shall be void if not presented to the county treasurer for payment within six months of the date of issuance.

## 5. Reissuance Provisions for Voided Warrants

Warrants voided for failure to be presented for payment within the six-month limitation are to be reissued pursuant to the provisions of Government Code Section 29802, which states in part:

"(b) Any time within two years from the date on which the original warrant became void, the payee or assignee of any warrant which is void...may present such warrant to the governing body of the agency on which the warrant was drawn, or declare by affidavit that such warrant has been lost or destroyed, and the governing body of such agency may adopt an order instructing the county auditor to draw a new warrant in favor of the payee in the same amount as the original warrant, or the governing body may by resolution authorize the auditor to draw new warrants within the limitations prescribed by the resolution without prior individual order of the governing body, provided the limitations prescribed by this section have been complied with. Any such new warrant shall be subject to the same limitations as the original warrant which it replaces.

"(c) If, at any time after a period of two years from the date on which the original warrant became void, or during such other period of time as specified by ordinance, the payee or assignee presents such warrant to the governing body of the agency on which the warrant was drawn, the governing body may adopt an order instructing the county auditor to draw a new warrant in favor of the payee or assignee in the same amount as the original warrant, if the governing body determines that it would be inequitable or unreasonable under the facts of the individual case not to do so, and money is available in the county treasury to make payment on the indebtedness. Any such new warrant shall be subject to the same limitations as the original warrant which it replaces."

Reissuance provisions extend to the legal representative or heir of a deceased recipient.

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**25-330 RULES GOVERNING AID WARRANTS (Continued)****25-330****.6 Reissuance Provisions for Lost or Destroyed Warrants**

Warrants lost or destroyed are to be reissued in accordance with Government Code Sections 29850 through 29854, which state:

"29850. If any warrant issued by the county auditor is lost or destroyed before it is paid by the treasurer, the amount due may be recovered by the legal owner or custodian by filing with the auditor or his or her designee an affidavit setting forth the fact of the loss or destruction of the warrant, the number, date, amount, and name of the payee, and all material facts relative to its loss or destruction. The legal owner or custodian is entitled to file this affidavit at any time prior to the time the warrant becomes void.

"29851. Upon the filing of the affidavit, the auditor shall issue and deliver to the legal owner or custodian a duplicate warrant bearing the same date as the original warrant for the full amount of the original warrant or for any lesser amount still due if any portion of the amount for which the warrant was drawn has been paid, and the treasurer shall pay the duplicate in lieu of the original warrant. If a warrant is lost or destroyed after it has been received by a bank with whom the treasurer has entered into a written agreement pursuant to Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code for the deposit in said bank of monies belonging to or in the custody of the treasurer, the treasurer may pay on a photocopy of the lost or destroyed warrant in lieu of the original warrant; provided the bank agrees to indemnify and hold the county harmless from any loss incurred by reason of such payment.

"29852. If the duplicate warrant is not presented for payment to the county treasurer within the time within which the original warrant could have been presented for payment it is void.

"29853. A warrant is considered lost if it has been mailed and has not been received by the addressee within 20 days after the date of mailing or within such shorter period of time as the board of supervisors may by ordinance establish, but in no event shall such shorter period of time be established at less than 7 days.

"29853.5. (a) To the extent permitted by federal law and notwithstanding Article 3 (commencing with Section 29850) of Chapter 5 of Division 3 of Title 3 of the Government Code, a public assistance warrant, which has been lost, stolen, destroyed, or lost in the mail, shall be replaced by the county. Prior to replacing the warrant the legal owner or custodian shall comply with either paragraph (1) or paragraph (2), whichever is applicable.

**25-330 RULES GOVERNING AID WARRANTS (Continued)****25-330**

"(1) Wait five working days, or a lesser period if permitted by the county, from the date that the warrant was mailed in cases where the warrant has been lost in the mail. After the waiting period the warrant shall be deemed to be lost and the legal owner or custodian shall be entitled to file an affidavit of the loss in the mail with the county. The affidavit shall contain information relative to the loss of the warrant in the mail, including the number, date, amount, and name of the payee of the warrant. The county shall assist the legal owner or custodian of the warrant in completing the affidavit.

"(2) If the warrant was not lost in the mail, an affidavit may be filed immediately with the county. The affidavit shall contain information relative to the loss, theft, or destruction of the warrant, including the number, date, amount, and the name of the payee of the warrant. The county shall assist the legal owner or the custodian of the warrant in the completion of the affidavit.

"(b) When the affidavit has been signed by the legal owner or custodian of the warrant, the county shall issue a replacement warrant as soon as possible to ensure that the needs of the family continue to be met, but no later than five working days from the date that the affidavit has been signed and filed with the county.

"(c) If the legal owner or custodian of the original warrant has moved from the county that issued the original warrant, and it has been lost, destroyed, stolen, or lost in the mail, the legal owner or the custodian of the warrant shall be entitled to file his or her affidavit for a replacement warrant with the county to which he or she has moved, and that county shall, within one working day, mail the affidavit to the county which issued the original warrant that an affidavit has been received. The county which issued the original warrant shall issue a replacement warrant immediately, but no later than five working days from the date that the county receives the affidavit that has been filed with the county to which the legal owner or custodian of the original warrant has moved.

"(d) If a legal owner or custodian receives an original public assistance warrant subsequent to the receipt of a replacement warrant, the legal owner or custodian shall return the original warrant to the county.

"(e) The department, in consultation with the County Welfare Directors Association, the County Auditors Association, and the Coalition of California Welfare Rights Organizations, shall develop a statewide intercounty lost warrant replacement affidavit, or revise the existing form, for the purpose of implementing this section.





**25-361 PROTECTIVE PAYMENTS -- ACCOUNTABILITY 25-361**

(Repealed by Manual Letter No. FMC-86-05, effective 7/1/86.)

**25-380 PAYMENT LESS THAN THE AMOUNT AUTHORIZED 25-380**

- .1 Payments less than the amount authorized shall be adjusted by issuing an additional warrant to the recipient or by increasing the amount of a future warrant. Authorizing action is not required. Adjustments reported in other than the current month will result in a reconciliation discrepancy on the Form ABCD 820, which must be explained. For applicable restrictions in issuing warrants to correct an underpayment, see MPP Handbook Section 25-520.9.