

Franchise Tax Board (FTB)

The FTB Asset Match is a statewide automated system that matches the welfare recipient file, extracted from the Medi-Cal Master Extract File (MMEF), against the State Franchise Tax Board's (FTB) interest and dividend file. FTB's file contains interest and dividend information from financial / investment institutions based in California or have offices in California. This information shows the interest and dividend earned from the assets, which is considered unearned income, but the match does not reveal the account balances.

Contents	
1	History
2	Data Sources
3	Criteria
4	Tolerance Level
5	Frequency
6	Method
7	Age of Data
8	Mandates
9	Flowchart
10	Notes

History

Senate Bill (SB) 620 (Chapter 703, Statutes of 1981) required a demonstration project beginning in July 1982 to obtain interest and dividend information from FTB. In 1984, SB 1379 was passed into law requiring CDSS to implement an ongoing asset match system. In the same year, Public Law 98-369, also known as the Deficit Reduction Act of 1984, section 2651 formally required states to establish an income and eligibility verification system for food stamps (now called CalFresh) and AFDC (CalWORKs). The FTB match was implemented in 1984 to provide asset information to the counties for current recipients so that it can be determined if the recipients have reported the assets, reported the correct value of the assets, and whether these assets have an impact on current eligibility. In February 1986, Title 45 of the Code of Federal Regulations (CFR), Part 205.55 required states to obtain unearned income on an annual basis from IRS or any other source that has the same data.

Data Sources

The data comes from:

- California Department of Social Services (CDSS)
- Franchise Tax Board (FTB)
- Medi-Cal Master Extract File (MMEF) from Department of Health Care Services (DHCS)

Criteria

This is an annual process that takes place in January where interest, dividend, and unearned income data is matched on the SSN and the first four characters of the last name of recipients in the MMEF. CDSS uses the December MMEF to create an inquiry file that is submitted to FTB. FTB and IRS data are cross-matched for duplicate information and only unduplicated data is sent to the counties.

Tolerance Level

The counties will only receive cases that show interest and dividend income exceeding specified levels. The current discrepancy level for CalWORKs and CalFresh is \$100 or greater. Non Assistance Food Stamps (NAFS) program has a discrepancy level of \$250 or greater.

Frequency

The match is sent annually.

Method

The FTB match is delivered via Golden State Overnight (GSO) courier service. GSO signs off when packages are picked up from CDSS, and then the counties sign the bill of lading when the packages are handed over. An acknowledgement of receipt (AOR) is included in the package and is required to be faxed back to CDSS Fraud Bureau in order to confirm that the county has received the package. CDSS will follow up with the county if the AOR form is not received.

Age of Data

This information can be 12 to 23 months old upon receipt by the County.

Mandates

The requirements to the FTB are:

- Federal Mandate: PL 98-369
- [45 CFR 205.55](#) requires states to obtain unearned income on an annual basis from IRS or any other source that has the same data.
- SB 1379 was passed into law requiring CDSS to implement an ongoing asset match system.
- This match must meet the 45-day requirement. Review timeline is 45 days from the date the state agency completes the match ([MPP 20-006.421](#)). Current federal rules prescribe that action may be delayed beyond the 45-day time frame on no more than 20 percent of the IEVS case matches.

Notes
