

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



May 5, 2000

ALL COUNTY INFORMATION NOTICE: I-50-00

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: DIRECT DEPOSIT OF CalWORKs BENEFITS

REFERENCE: ACIN I-25-99

REASON FOR THIS TRANSMITTAL

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | State Law Change |
| <input type="checkbox"/> | Federal Law or Regulation Change |
| <input type="checkbox"/> | Court Order or Settlement Agreement |
| <input type="checkbox"/> | Clarification Requested by One or More Counties |
| <input checked="" type="checkbox"/> | Initiated by CDSS |

Several California counties have begun the development and implementation of direct deposit systems for the delivery of public assistance (PA) benefits. So in support of these efforts the California Department of Social Services (CDSS) has developed a matrix [PUB 342 (enclosed)] to provide counties and unbanked PA recipients with information regarding savings and checking accounts available at a number of financial institutions located throughout the State.

ACIN I-25-99, dated April 5, 1999 outlined the tangible benefits that counties and PA recipients can derive through the direct deposit of cash benefits into depository accounts. As stated in the referenced ACIN, Welfare and Institution Code Section 11006.2(c) provides counties with the necessary statutory authority to establish direct deposit as a method of benefit delivery at recipient option. In order to implement direct deposit the following two conditions must be satisfied:

- The county board of supervisors must adopt a resolution to implement direct deposit and,
- The county treasurer must make an agreement with at least one Automated Clearing House participating financial institution.

Direct deposit is an integral element in the migration of benefit delivery to a more efficient electronic environment. Further, it can be a means to encourage PA recipients to establish traditional depository relationships with local banks and savings institutions. These relationships can assist recipients in their transition from public assistance to the mainstream economy.

Direct deposit is the delivery method for the vast majority of federal benefits and has proven to be efficient and cost effective. The United States Treasury Department estimates average savings of 41 cents for each direct deposit transaction compared to the cost of issuing a paper check. Additionally, the California Legislature is currently considering Senate Bill 962 which mandates

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that those counties offering direct deposit to employees offer direct deposit to their PA recipients.

Currently, the brochure contains account information provided by the fourteen institutions that responded to CDSS' invitation to participate in the initial distribution of the matrix. This includes several of the largest banks in the State as well as a number of smaller, regional institutions. Additions and revisions to the product matrix will be provided as needed in the future. CDSS does not endorse any specific financial institution nor recommends that only those institutions included in the matrix be used. Recipients should be encouraged to contact local institutions in their local area to identify those products that best satisfy their specific needs.

Your county can reproduce the enclosed brochure if it elects to implement direct deposit. Copies of the brochure can be distributed to your staff and can be shared with recipients.

If you have comments on the enclosed brochure or have questions about implementing direct deposit, please contact David Badal of the Program Technology and Support Bureau at (916) 654-1405.

Sincerely,

***Original Document Signed by
Calvin Rogers on 5/5/00***

CALVIN ROGERS, Chief
Program Integrity Branch

Enclosure

c: California Bankers Association