

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

(916) 322-8495

June 3, 1986



ALL-COUNTY LETTER NO. 86-46

FSD LETTER NO. 86-30

TO: ALL DISTRICT ATTORNEYS
ALL IV-D AGENCIES
ALL COUNTY WELFARE DIRECTORS
ALL WELFARE FISCAL OFFICERS
ALL ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: INCENTIVES/CS 800 REPORTING

REFERENCE: FSD LETTER NOS. 85-36 AND 85-56

This letter is to advise counties that there has been a change to information provided in FSD Letter Nos. 85-36 and 85-56. It was our understanding at the time these letters were written, that federal incentives were to be paid on total collections (AFDC and non-AFDC). However, subsequent information has revealed that federal budgeted amounts for state incentives are estimated using total collections; but, incentives paid to the counties will be on "distributed" collections. For non-AFDC collections this means incentives will be based on payments actually made to the family (line 13 on the CS 820) or collected for another state (line 10b on the CS 820), and for aid related collections it means dollars distributed through the CS 800, Summary Report of Child and Spousal Support Payments. This change has necessitated a change in the auditing and payment procedures at the state level and a reporting change for counties.

CS 800

1. Collections Distributed after March 31, 1986

FSD Letter No. 85-56 transmitted to counties a revised CS 800. This form consolidated intracounty, intercounty and interstate information since it appeared the only purpose of the document was to calculate recoupment of aid. However, with the change in incentive policy we will be paying intercounty AFDC incentives (to the collecting jurisdiction) off of the CS 800. Unfortunately, the 7/85 revision does not provide sufficient information to calculate intercounty entitlement. We are therefore revising instructions previously issued for the CS 800. You will find enclosed a copy of the new CS 800 format which counties must use effective with April, 1986 claim. This document provides for the segregation of intracounty, intercounty and interstate collections. No substitutes are permitted for this form.

You will also find enclosed a suggested Summary CS 800 Reconciliation-Intracounty/Interstate (CS 801A) and a Summary CS 800 Reconciliation-Intercounty (CS 801B). These are suggested forms intended to be of assistance to counties in the CS 800 reporting process. Counties may want to use their own format for the reconciliation, however the basic data elements required for audit can be identified on the enclosed documents. Please note that the intercounty reconciliation is different than the intracounty/interstate, as it provides summary data by the collecting California county. This information is now required in order to properly identify and pay the collecting jurisdiction for AFDC dollars distributed. It is entirely acceptable for counties to submit their CS 801 back up summary pages for intercounty collections in lieu of the CS 801B. However, we do request that you submit only the summary documentation by collecting jurisdiction and the aggregate total of California counties that collected for the reporting county, and not the individual case information.

FSD Letter No. 85-56 instructed counties to continue segregating their CS 801 payroll by aid category and by collecting jurisdiction pursuant to instructions in the Fiscal Handbook Section 25-920. Therefore, the intercounty breakout we now require should already be available in the county records.

The effective date for this change is the April, 1986 claim month.

2. Collections Distributed for October, 1985 through March, 1986 Claim Months

Many counties revised their CS 800 procedures pursuant to FSD Letter No. 85-56, consolidating the intracounty, intercounty, interstate collections. Regrettably the result is we lack sufficient information to pay the appropriate incentive from these claims since they do not provide intercounty (collecting jurisdiction) identification. Therefore, in order to pay the appropriate jurisdiction for the claim months October, 1985 through March, 1986, counties must retroactively submit to this Department their intercounty CS 801 back up (payroll) summaries for those months. This will not require resubmittal of the CS 800 form, but will allow us to break out the intercounty portions for incentive payments to other California counties identified on the CS 800 already submitted.

Child Support Management Bureau staff will be auditing these claims for that six month period in order to expedite the calculation and payment of the federal and state incentives. Please submit your October, 1985 through March, 1986 CS 801 intercounty summaries to:

State Department of Social Services
Child Support Management Bureau
744 P Street, Mail Station 12-11
Sacramento, CA 95814
Attention: Carmen Cody

This information should be submitted to this Department no later than July 1, 1986 in order to guarantee prompt payment of incentives.

Submission to the above address is only for the retroactive six month period. CS 800s submitted under the new procedures for the April claim month forward should be submitted to:

State Department of Social Services
Fiscal Policies and Procedures Bureau
744 P Street, Mail Station 8-300
Sacramento, CA 95814

Counties that have continued to report under the old procedures and identified sufficient CS 801 information to identify the intercounty jurisdictional data are not required to submit the additional information. Please verify with your distributing agency whether this information was provided for the claim months of October, 1985 through March, 1986.

ORDERING FORMS

We are in the process of printing the revised CS 800, CS 801A and CS 801B forms. The old supply of CS 800 (7/85 revision) will be destroyed and the new stock available in the next few weeks. Counties may order the new forms through the regular forms distribution process in the near future. Until a supply is available, please duplicate and use the enclosed copies for reporting.

ADJUSTMENTS

Pursuant to instructions in FSD Letter No. 85-56, counties must continue to segregate adjustments to the CS 800 for prior to October, 1985 collections on a prior fiscal year claim. These collections were paid a 12% incentive rate and adjustments to the amounts reported should be separately identified.

We regret any confusion or inconvenience the revised procedures in this letter may cause to your county. This Department is making a concerted effort to rectify the incentive calculation error and expedite the payment of incentives to counties. We anticipate that our Accounting Bureau will immediately commence payment of incentives from the CS 800, and from line 13 and 10b on the CS 820. We urge counties to provide the needed back up for intercounty CS 800s immediately since we will be unable to pay incentives from the CS 800 until the information is available in this office.

In order to clarify the calculation and payment of incentives for counties, the following formulas will be used effective with the October, 1985 reporting month:

CS 820

Federal Incentive

1) Interstate Incentive (for other states)

AFDC (col. I and II) Line 10b x Federal AFDC rate
Non-AFDC (col. III) Line 10b x Federal non-AFDC rate

2) Non-AFDC Incentive

Non-AFDC (col. III) Line 13 x Federal non-AFDC rate

CS 800

Federal Incentive

1) Intracounty/Interstate - paid to reporting county

FG & U (col. 1 + col. 3, Line 1) x Federal AFDC rate

FC (col. 1 + col. 3, Line 1 minus Line 7) x Federal AFDC
rate

Non-Fed FC (col. 1 + col. 3, Line 7) x Federal
non-AFDC rate

2) Intercounty* - paid to collecting county

FG & U (col. 2, Line 1) x Federal AFDC rate

FC (col. 2, Line 1 minus Line 7) x Federal AFDC rate

Non-Fed FC (col. 2, Line 7) x Federal non-AFDC rate

State Incentive

1) Intracounty/Interstate - paid to reporting county

FG & U (col. 1 + col. 3, Line 1) x State AFDC rate

FC (col. 1 + col. 3, Line 1 minus Line 7) x State AFDC rate

2) Intercounty* - paid to collecting county

FG & U (col. 2, Line 1) x State AFDC rate

FC (col. 2, Line 1 minus Line 7) x State AFDC rate

3) The State non-federal FC rate payable under Welfare and Institutions Code Section 15200.3 should be determined annually if collections exceed 1982/83 base year.

*Counties will provide collecting county break-out (CS 801) summary so that we will pay the appropriate (collecting) jurisdictions.

If you have any questions, please contact Ms. Nancy Alder at (916) 324-9047.

Sincerely,



ROBERT A. HOREL
Deputy Director
Welfare Program Division

Enclosure