

October 7, 2010

COUNTY FISCAL LETTER (CFL) NO. 10/11 – 24

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS

SUBJECT: RECOUPMENT OF INTEREST EARNED ON FOOD STAMP (FS)
OVERPAYMENTS

REFERENCE: CFL NO. 09/10 – 57

This letter provides counties with instructions to report a one-time form submission, including payment if applicable, for the federal portion of interest earned on FS overpayments collected since January 2004. As stated in CFL NO. 09/10 – 57, dated March 30, 2010, the Bureau of State Audits (BSA) 2009 audit of the California Department of Social Services (CDSS) fraud prevention activities in the California Work Opportunity and Responsibility to Kids and FS programs identified the collection process for FS overpayments as a significant issue. The BSA reported that since January 2004, some counties deposited the federal portion of the overpayments collected in interest bearing accounts, which must be returned under federal law.

In accordance with 7 CFR 277.10 (b), the state must promptly remit any interest earned by county or local governments on federal FS administrative funds. This includes the federal portion of interest earned on FS overpayments. Therefore, all counties are required to complete and return the attached form by November 1, 2010, and remit payment, if applicable, of the federal portion of interest earned.

Attached is the “Recoupment of Interest Earned on Food Stamp Overpayments Form” for the counties to report their federal portion of interest earned for FS overpayments. For any interest earned through June 30, 2010, each county must complete, certify, and submit the attached interest earned form and remit payment by November 1, 2010. For counties that did not earn interest, please check the “county did not retain any federal funds in an interest bearing account(s)” on the form, certify, and return to CDSS.

In order to complete the form, counties will need to determine the federal fund amount retained for the FS overpayments, and the period between the counties' receipt of the funds and return of the funds to the state. Counties would apply the actual interest rate earned on the interest bearing account to determine the amount of interest to be reported and remitted as interest earned. Counties are required to retain interest earned supporting documents for audit purposes.

Questions regarding this CFL should be directed to fiscal.systems@dss.ca.gov.

Sincerely,

Original Document Signed By:

FRAN MUELLER
Deputy Director
Administration Division

Attachment

RECOUPMENT OF INTEREST EARNED ON FOOD STAMP OVERPAYMENTS FORM

COUNTY NAME: _____
COUNTY CONTACT PERSON: _____
TELEPHONE NUMBER: _____

- ☐ The county did not retain any federal funds in an interest bearing account(s) for the period of _____ to _____.

Please sign below and submit completed form to:
California Department of Social Services
Fund Accounting and Reporting Bureau
744 P Street MS 9-4-72
Sacramento, CA 95814

- ☐ The county retained federal funds in an interest bearing account. The actual interest earned for each quarter is as follows:

Interest Earned Details:

Quarter	Federal Amounts (\$)

Please sign below and submit completed form and remit payment to:
California Department of Social Services
Cashiering
744 P Street MS 8-B-67
Sacramento, CA 95814

<i>I hereby certify, under penalty of perjury, that I am the official responsible for the examination and settlement of accounts; that I have not violated any of the provisions of Code of Federal Regulations (CFR), 7 CFR Part 3018 and 45 CFR Part 93, regarding lobbying restrictions, and Sections 1090 and 1906, inclusive of the Government Code; and that the amount(s) reported herein has been paid and is properly chargeable as an expenditure or credit to administration of welfare programs in accordance with all provisions of the Welfare and Institutions Code and rules and regulation of the California Department of Social Services.</i>	<i>I hereby certify, under penalty of perjury, that I am the official responsible for the examination and settlement of accounts; that I have not violated any of the provisions of Code of Federal Regulations (CFR), 7 CFR Part 3018 and 45 CFR Part 93, regarding lobbying restrictions, and Sections 1090 and 1906, inclusive of the Government Code; that the amount(s) reported herein has been authorized by the welfare director; and that warrants therefore have been issued or expenditures/credit otherwise incurred according to law.</i>
_____ Signature of County Welfare Director Date	_____ Signature of County Auditor-Controller Date