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Informational Letter

Section 1

Transmittal:	03 INF 35
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Subject:	Clarification of Temporary Assistance Diversion Payment Types for Families
Suggested Distribution:	Temporary Assistance Directors; Food Stamp Directors; TOP Coordinators; Medical Assistance Directors, Staff Development Coordinators; Child Assistance Program Coordinators; Employment Coordinators; Accounting Supervisors
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Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
02 ADM-02 95 INF-43	00 INF-3 01 INF-23	45 CFR Parts 260.31, 263.2, 265	352 372 352.31(5) 352.7(3) 1300.4	PASB Section X-D-1 WTW Employment Policy Manual 1300.4	WMS Coordinator Letters 06/07/99, 10/26/99 7/03/2001 GIS 02 TA/DC005 GIS 02 TA/DC030

Section 2

I. Purpose

This purpose of this informational letter (INF) is to review Temporary Assistance (TA) diversion and Welfare Management System (WMS) diversion payment types codes. Also, this INF will clarify that due to federal reporting requirements WMS diversion payment codes must only be used for applicant families who are eligible to receive Emergency Assistance to Needy Families (EAF). In order to be comprehensive in terms of what SSDs can provide when developing diversion strategies, guidance on the use of supportive services that may be available to applicants and recipients of TA is included.

II. Background

The Department of Health and Human Services Federal Regulations 45 CFR 260.31, 263.2 and 265 establish mandated federal data reporting requirements. These include the mandate that states identify and report assistance payments separate from payments defined by federal regulation as nonassistance diversion payments made to TANF families. 45 CFR part 260.31 identified and defined non-assistance diversion as payments that are:

- Made to families categorically eligible for Family Assistance (FA)
- Specified as nonassistance payments (payment is not considered countable assistance toward time limits)
- Short term, expected to last less than four months
- Made to meet a specific crisis or episode of need
- Not meant for recurring or ongoing needs

Any payments issued to applicant families that meet the federal definition of diversion must be properly identified as nonassistance payments for federal reporting requirements. If the state fails to fulfill its responsibility to accurately report these data elements to the federal government, the state and ultimately Social Services Districts (SSDs) could be subject to significant fiscal penalties.

To distinguish nonassistance diversion payments issued to applicant families from assistance payments, four upstate WMS diversion payment types and four New York City (NYC) WMS diversion payment types were created. The proper use of WMS diversion payment codes is the only way that a case is identified as a diversion case for federal reporting. If the WMS diversion payment type codes are not properly used when diverting applicant families from needing ongoing assistance, the WMS system will not be able to collect the required federal reporting data. This could result in significant fiscal penalties. In addition, the correct use of WMS coding will assure the reliability of reports produced from WMS data.

00 INF-3 “TA Diversion Payments: Clarification of Purpose and Use” was released to explain the purpose of WMS diversion payment types and to clarify when these payment types should be used. Subsequently, 01 INF-23 “TA Diversion Payment Type F6 - Diversion Rental Payment” was released to notify districts that an additional WMS diversion payment type was created that exclusively identified diversion rental payments. Both 00 INF-3 and 01 INF-23 are cancelled and replaced with this INF.

III. Program Implications

A. Diversion Strategies

New York State does not administer a formal ‘diversion program’, but SSDs are encouraged to utilize diversion strategies to facilitate and promote an individual’s or applicant family’s ability to obtain or maintain self-sufficiency.

SSD staff should work cooperatively with applicants for TA to develop a diversion strategy that utilizes all available programs and community resources to prevent the need for ongoing TA benefits. This will require the SSD to find ways to meet an individual's or family's need by reviewing and evaluating the use of all available TA emergency programs, Food Stamps, Medical Assistance, HEAP, WIC, child care assistance, food pantries, State and local employment services and available community resources such as family and friends. When community resources such as family or friends are used in developing a diversion strategy, the SSD must confirm that these resources are actually available to meet the applicant's need.

Diversion strategies work in conjunction with the current "Front Door" concept, in which many local districts participate. SSDs that participate in the "Front Door" concept should continue to formally screen applicants to see if they can be diverted from receiving cash assistance by helping them identify other services and resources that might be available. SSDs are reminded that diversion strategies must not be used to circumvent normal ongoing TA eligibility requirements such as work rules or child support assignment.

B. WMS Diversion Payment Types and EAF

There is no change in TA policy that diversion payments made on behalf of individuals or families are non-recurring payments of specific expenses that, if paid, will likely divert applicants of TA from needing ongoing cash assistance. If it is determined that a WMS diversion payment type is to be used to divert a family from needing ongoing assistance, the family must be categorically and financially eligible for EAF. Eligibility is based upon the same criteria and scope of assistance as specified in 18 NYCRR 372, except for the criteria that the emergency must be one that was sudden, could not have been foreseen, and was beyond the applicant's control. To authorize a WMS diversion payment type to divert an applicant family from needing ongoing TA, the family must be eligible to participate in the EAF program by meeting all of the following requirements:

1. A LDSS-2921 "Application for Temporary Assistance, Medical Assistance, Food Stamp Benefits, Services and Child Care Assistance" must be completed and submitted. A new LDSS-2921 is not needed if the applicant applies for EAF within 30 days of their case being closed. However, the previous LDSS-2921 must be updated with any new information, resigned and dated.
2. The applicant household must meet all federally participating categorical criteria, including the condition that the applying household must include a minor child residing with a parent or an eligible caretaker relative, or the household must contain a pregnant woman. Applying families who would be eligible for Family Assistance (FA) except that they have exhausted the State 60-month time limit are also categorically eligible for EAF.
3. The applicant must have gross available income on the date of application at or below 200% of federal poverty level for the household size, or the household must be financially eligible to receive TA (see GIS 02 TA/DC030).
4. As a condition of eligibility any available resources including community resources must be used to meet the crisis or immediate need.
5. The assistance is necessary to avoid destitution, or the family has a discrete situation that if not resolved will jeopardize the household's ability to remain self-sufficient and require the need for ongoing assistance.
6. The child's destitution or need for living arrangements did not arise because the child or a relative with whom he or she lives refused without good cause to accept employment or training for employment.
7. Assistance provided under EAF must not duplicate assistance for which a person is eligible or would be eligible but for a sanction for violations of the requirements of Part 1300 of NYCRR Title 12 or other requirements of State law or regulations.

SSD staff must use their judgment to evaluate if there is a reasonable chance that the issuance of a diversion payment will resolve a crisis and enable the applicant family to obtain or maintain self-sufficiency and avoid ongoing assistance payments.

It is not mandatory that applicants for TA who are eligible to receive ongoing benefits accept a diversion payment instead of ongoing assistance payments. The SSD must be diligent in explaining to the applicant the benefits of receiving a nonassistance diversion payment instead of an assistance payment that counts towards the State 60-month time limit. If the applicant family wants to continue with their application for ongoing assistance and they are eligible to receive ongoing TA, any payments made to meet an emergency prior to case opening cannot be coded using a WMS diversion payment type.

C. WMS Diversion Payment Types

Although, New York State does not administer a separate diversion program, it still must meet federal reporting requirements. **The purpose of the following WMS diversion payment types is to collect accurate data for federal reporting requirements. Therefore, these payment types must not be used under any other circumstance other than defined below:**

D7 - Transitional Services Payments (Upstate WMS); D7 - Transitional Services Payments (NYC WMS): This payment type is used to authorize a nonrecurring employment related expenditure such as a uniforms allowance, tools, license fees, or other items needed to enable an individual to maintain employment. The households for which these payments are made are no longer in receipt of ongoing FA, or non-cash SNA/FP because of employment and they have an **employment-related expense** that if not met will result in the continuation of an ongoing TA case. This is the only WMS diversion payment code that will allow a payment to be issued at the time of a TA case closing. All other WMS diversion payment type codes are used exclusively for applicant families.

Payment type “D7 - Transitional Services Payments” is allowable with TA case types 11, 12, 16, 17 and 19. This pay type will only be allowed with Transaction Types 07 (Closing), 08 (Recert/Closing) and 09 (Open/Close). For Case Types 16 and 17 a State/Federal Charge Code of 63 (TANF Individual Exceeding 5 Year Limit) or 64 (TANF Native American on NYS Reservation Exceeding 5 Year Limit) must be present on Screen 3 of the APTAD or LDSS-3209. This payment type is also allowed with TA case types 11, 12, 16, and 17 with transaction type 03 – Denial, and on active case types 20, 22, 24 and 31, with a required special claiming code of F.

Payment type D7 must be authorized as a single-issue payment and can be authorized as either a restricted or unrestricted payment.

Transportation related expenses such as car insurance, auto repairs or similar transportation costs must not be authorized with this payment type (see payment type D9).

D9 - Diversion Transportation Payment (Upstate WMS); D9 - Diversion Transportation Payment (NYC WMS): This payment type must be used to authorize a nonrecurring diversion payment for employment-related transportation expenses such as the cost of public transportation, car insurance or car repairs. This diversion payment type can be issued to **employed** applicants who have a transportation need that must be met to maintain employment and, if not met, may result in the opening of an ongoing TA case. This payment type may also be used to provide transportation for applicant job search activities while TA eligibility is being determined or for applicants with a bona fide job offer. To receive this benefit, the household must be categorically eligible for EAF and meet all income and resource requirements of EAF.

Payment type “D9 - Diversion Transportation Payment” is allowed with TA case types 11, 12 and 19 with transaction type 09 – Open/Close. This payment type is also allowed with TA case types 11, 12, 16, and 17 with transaction type 03 – Denial, and on active case types 20, 22, 24 and 31, with a required special claiming code of F. Payment type D9 must be authorized as a single issue payment and can be authorized as either a restricted or unrestricted payment.

F5 - Diversion Payment (Upstate WMS); D5 - Diversion Payment (NYC WMS): This payment type is used to authorize a nonrecurring short term diversion payment for expenses directly associated with resolving a housing related crisis or episode of immediate need for homeowners. These include mortgage or mortgage arrears, moving expenses, storage fees or household structural or equipment repairs. This diversion payment type can be issued only to **applicants** who have an emergency or immediate need that if resolved would enable the family to avoid the need for ongoing assistance. To receive this benefit, the household must be categorically eligible for EAF and meet all income and resource requirements of EAF.

This payment type is allowed with TA case types 11, 12 and 19 with transaction type is 09 – Open/Close. This payment type is also allowed with TA case type 11, 12, 16 and 17 with transaction type 03- Denial, and on active case types 20, 22, 24 and 31, with a required special claiming code of F. This payment type must be authorized as a single-issue payment and can be authorized as either a restricted or unrestricted payment.

This payment type must **not** be used to authorize payments for rent, transportation expenses, child care expenses, costs related to applicant job search or payments for work related items, utility shutoffs, or brokers'/finders' fees.

F6 - Diversion Rental Payment (Upstate WMS); D8 - Diversion Rental Payment (NYC WMS): This payment type is used to authorize a non-recurring short term diversion payment for rent or rental arrears. This diversion payment type can be issued only to **applicants** who have an immediate shelter need (rent) that if resolved will enable the family to avoid the need for ongoing TA. To receive this benefit the household must be categorically eligible for EAF and meet all income and resource requirements of EAF.

This payment type is allowed with TA case types 11, 12 and 19 with transaction type is 09 – Open/Close. This payment type is also allowed with TA case type 11, 12, 16 and 17 with transaction type 03- Denial, and on active case types 20, 22, 24 and 31, with a required special claiming code of F. This payment type must be authorized as a single-issue payment and can be authorized as either a restricted or unrestricted payment.

This payment type must **not** be used to authorize payments for mortgage expenses, property taxes, moving expenses, storage fees, household structural or equipment repairs, security deposits, utility shutoffs, or brokers'/finders' fees.

D. Use of WMS Diversion Payment Types

To facilitate the collection of data for federal reporting requirements, it is important to appropriately identify when to use one WMS diversion payment type over another WMS payment type. In general, the following questions must be reviewed and answered affirmatively before a WMS diversion payment type is used.

1. Is the applicant family categorically eligible for EAF (this includes applying households who would be categorically eligible for FA except that they have exhausted the state 60-month time limit)?
2. Is the family financially eligible (does the family have gross available income on the date of application at or below 200% of federal poverty level for the household size, or is the household financially eligible to receive TA, see GIS 02 TA/DC030)?
3. Is the item of need **other** than a utility shut-off, a security deposit, or brokers'/finders' fees?
4. Is there a reasonable chance that a nonrecurring short term diversion payment will enable the applicant to obtain or maintain self-sufficiency and avoid the need for ongoing assistance?
5. Does the applicant meet the federal diversion payment criteria for the specific item of need, for example, for a transportation related diversion payment, is the TA applicant employed as required?

When each of the above five questions can be answered “Yes,” SSDs must authorize a diversion payment by using the appropriate WMS diversion payment type code. If the family has an emergency or immediate need situation that does not meet the criteria to utilize a WMS diversion payment type, the case is not considered a diversion case for federal reporting purposes and a WMS diversion payment type **must not** be used. The family may still be eligible for EAF, therefore, the availability of an EAF emergency payment, or if eligible, WTW supportive payments should be explored to ameliorate a TA applicant family’s emergency or immediate need.

Accurate use of the WMS diversion payment types will assure that federal reporting requirements are met and avoid the penalty for failure to do so.

E. Limitation on Diversion Payment

Diversion payments are limited to the scope of assistance as specified in 18 NYCRR Parts 352 and 372. If a particular item of need is not found in 18 NYCRR 352 the need maybe covered under 18 NYCRR 372.4(d) which provides payments for services necessary to cope with an emergency such as car insurance payments, car repairs, etc.

EAF payments used to divert families are considered nonassistance and, therefore, do not count towards the State 60-month time limit. Districts retain the ability to pursue the recovery of assistance, per 18 NYCRR 352.7(g)(3).

Emergencies involving utility shut-offs under 18 NYCRR 352.5 (e) are not diversion situations. In addition, WMS diversion payment type codes must not be used to provide security deposits or to pay brokers’/finders’ fees.

F. Frequent Applications

SSDs have flexibility to approve or deny an applicant’s frequent requests for an EAF diversion payment (WMS payment types D7, D9, F5 and F6). During the eligibility process, the SSD should review the applicant’s current situation and look to the future to evaluate if there are changes that will eventually allow the family to become totally self-sufficient. For example, an applicant applies more than once for a payment of car insurance. The SSD may determine that paying the car insurance more than once is reasonable because in the near future, the applicant has the potential to meet future car insurance payments by receiving an anticipated increase in wages, or a reduction in car insurance expense is expected. However, districts may also choose to make initial diversion payments only after agreement is reached with the applicant that specific steps such as, a second job, increased work hours or different transportation plans, will be taken to prevent a repetition of the same crisis.

There is no change in policy that if an individual applies for emergency assistance, SSDs are required to conduct an assessment of the emergency situation, and if an immediate need is determined to exist for an eligible individual or family, the immediate need must be met the same day the applicant comes into the office (See 02 ADM-02 for further details).

G. Affordability of Shelter

Applicants for EAF may receive an allowance for rent, mortgage or tax arrears for the time prior to the date the case was opened if several conditions are met, including the condition that the applicant can reasonably demonstrates an ability to pay future shelter expenses (see 95 INF- 43). If, after careful review, it is determined that an EAF diversion payment for shelter arrears will assist the household in maintaining self-sufficiency and divert the applicant from needing ongoing assistance, the SSD may be flexible with the shelter affordability requirement. For example, an employed person applies for assistance to meet rental arrears. The SSD determines that the housing is not affordable. However, to ensure the stability of the household so that employment is not disrupted and progress towards self-sufficiency is maintained, the SSD

decides that its better to pay the arrears and assist the applicant in locating more affordable housing within a specified time period.

H. Safety Net Assistance and Diversion

WMS diversion payment types are not to be used for Safety Net Assistance (SNA) individuals or childless couples. However, SSDs may employ diversion strategies by authorizing emergency or short-term SNA to divert applicants of TA who are single individuals and childless couples. To authorize cash SNA to divert a single individual or childless couple there must be an immediate need or crisis that, if not met, will jeopardize an individual's ability to obtain or maintain self-sufficiency, and there is a reasonable chance that the payment will divert the applicant from needing ongoing TA.

SNA or ESNA payments are limited to the scope of assistance as specified in Parts 352 of Office Regulations. There are certain services payments such as car insurance payments or car repairs that cannot be paid as a nonrecurring SNA or ESNA payment for applicants who are individuals or childless couples, because they do not qualify for EAF and, therefore, do not qualify under 372.4(d), which provides for payments of services necessary to cope with an emergency situation. These TA applicants may be eligible for a WTW employment related supportive services payment (see section I of this INF) if the identified need is employment - related.

WMS diversion payment types as listed in section III-C, cannot be used to authorize any payments for SNA or ESNA. These WMS payments types are for federal reporting requirements and are not intended for SNA cases.

I. Welfare-To-Work Employment Related Supportive Services

Supportive services are often used to assist Temporary Assistance applicants to participate in assigned work activities or to obtain employment and avert the need for ongoing cash assistance. Unlike the requirements for the use of the WMS diversion payments, the TA applicant does not need to be categorically eligible for Family Assistance in order to receive an employment-related supportive service. Supportive services are described separately because such payments do not meet the federal definition that has been established by the United States Department of Health and Human Services (DHHS) for "diversion payments". Social services districts are encouraged to explore the availability of supportive services to address employment-related needs of individuals who apply for Temporary Assistance when diversion, EAF, ESNA or SNA payments are determined to be unavailable.

To the extent that federal and State resources are available and consistent with the local employment plan approved by the Department of Labor, employment-related supportive service payments may be authorized under the following conditions:

- When the local social services official deems the payment necessary to allow the TA **applicant** to participate in assigned work activities, or
- To assist **applicants** at risk of needing temporary assistance to maintain their employment or to improve their opportunities for employment, or
- To assist employed Temporary Assistance **recipients** to improve their opportunities for employment in order to move them to self-sufficiency.

Supportive services may include, but are not limited to, transportation (i.e., cost of public transportation, vehicle repairs, vehicle insurance) and other work or training related expenses such as work boots, uniforms or other necessary equipment. Funds made available for supportive services cannot be used to provide medical services, to pay fines or penalties or for other activities which are prohibited by federal or State statutes or regulations.

Supportive services are authorized using the applicable WMS payment type from the list identified below:

- **Employment-Related Transportation:**
Upstate WMS Payment Code R7
NYC WMS Payment Code 53 (Family Assistance) or NYCWMS Payment Code 76 (Safety Net Assistance)
- **Employment and Training Related Needs:**
Upstate WMS Payment Code R9
NYC WMS Payment Code 55
- **Training Tuition and Fees**
Upstate WMS Payment Code T3
NYC WMS Payment Code 55

The determination of financial eligibility for a supportive services payment is based upon the district's determination that the TA applicant family is without income and resources immediately available to resolve the employment-related need and the household's gross available income is at or below 200% of the federal poverty level for that household size. Local districts must ensure that the correct case category and/or special claiming codes are used when issuing supportive services. For example, districts must ensure that a household is categorically eligible for TANF (i.e., the household must contain a minor child residing with a parent or an eligible caretaker relative) in order to claim the supportive service under the TANF program. Special claiming code "D" should be used for a nonrecurring supportive services payments made on behalf of applicant families that are categorically eligible for TANF, but have exhausted their 60 months of TANF eligibility (case type 17). Supportive services payments authorized on behalf of TA applicants who are not categorically eligible for TANF must be claimed as a safety net cost. Local social services districts must also document how the supportive services payment is employment-related in order to demonstrate such costs were necessary and reasonable.

Additional information on supportive services is available in Section 1300.4 of the Welfare-To-Work Employment Policy Manual. The WTW Employment Policy Manual is maintained electronically and is available through the following website: <http://www.labor.state.ny.us/businessny/welfareto/work/employmentmenu.html>.

J. TA Notices

Since most diversion payments are to meet an immediate need, Notice LDSS-4002 "Notice of Acceptance/Denial to Meet an Immediate Need or Special Allowance" should be used to notify the applicant family of the decision concerning diversion payments that meet the immediate need. If the applicant family is approved for a diversion payment, the notice must clearly explain to the applicant how the diversion payment is being used to meet their identified and discrete need. Any reference to a diversion payment must be manually written on the LDSS-4002 because there is no formal language on the notice explaining diversion or diversion payments.

K. Food Stamp Implications

A Temporary Assistance for Needy Families (TANF) payment made to divert a family from becoming dependent on ongoing TA benefits is excluded from FS income as a nonrecurring lump-sum payment if the payment is not defined as assistance because of the TANF exception for non-recurrent, short-term benefits. These diversion payments meet that criteria and are excluded as FS income. However, SSDs must remember that the diversionary requirements of TA do not apply to the Food Stamp program. Districts must process applications for food stamps even if diverting from TA and must encourage applications from those expressing concerns about not having enough food or money to buy food (food insecurity).

L. Examples

Example 1: Mr. Solomon has never received TA, but his wife has just had their first child and has stopped working. To relieve the financial burden to the family, Mr. Solomon has obtained a new job with a substantial increase in pay, 10 miles from the family's apartment. A friend who has agreed to provide Mr. Solomon with transportation to and from his new job has been hospitalized and will be unable to take him to work for 2 weeks. Mr. Solomon needs help in meeting the expense of transportation costs to and from the new job for two weeks until his first paycheck is received. Mr. Solomon applies for TA benefits to meet this discrete need at his local SSD. The worker determines that Mr. Solomon has no available resources to pay for two weeks of taxi and bus fare. Since Mr. Solomon is an employed applicant and the new job offers higher wages, the authorization of transportation expense will probably enable Mr. Solomon to maintain his family's self-sufficiency and prevent the opening of an ongoing TA case. For both NYC and upstate WMS the worker authorizes a diversion payment 'D9 - Diversion Transportation Payment'.

Example 2: Mr. Taupans has a minimum wage job. He has been able to maintain his family by working 50 hours a week. Recently, he has fallen behind in utility payments and has received a shut-off notice. Mr. Taupans applies for TA benefits at his local SSD to meet this discrete need. The worker determines that due to excess income the household is ineligible for ongoing assistance. Since this is an energy-related emergency, the worker does not consider a diversion payment type. The family's eligibility for EAF must be determined and, if eligible for assistance, a payment would be authorized by using WMS payment type '60 - Emergency Payment to Prevent Shut-off or Restore Service'. In NYC the payment would be issued as code '50 - Utility Advance-Non-Recoupable'.

Example 3: Miss Kelso lives with her seven year old daughter in an apartment that is within walking distance of her current job. Miss Kelso's current job pays minimum wage for up to 30 hours a week. She has been offered another job in a neighboring town that offers a full workweek and a higher hourly wage. She has found a new apartment that is reasonably priced and is within walking distance of her new job. She has used all of her available resources to pay the security deposit on the apartment but she does not have enough money to pay for the current month's rent or to move her personal belongings. Miss Kelso applies for TA benefits at her local SSD to meet this discrete need. The worker determines that this is a diversion situation since the applicant will probably become self sufficient with the move. The worker therefore authorizes the moving expenses as 'F5-Diversion Payment' for upstate WMS or 'D5-Diversion Payment' for NYC WMS and the current month rent as 'F6-Diversion Rental Payment' for upstate WMS or 'D8 - Diversion Rental Payment' for NYC WMS.

Example 4: Mr. Smith, a single individual living alone, filed an application for temporary assistance after exhausting his Unemployment Insurance Benefits. During the application period, Mr. Smith was assigned to participate in job search activities and subsequently secured employment with a local manufacturing company. Before Mr. Smith could accept the job, he needed help to pay his car insurance premium so he could get to the job. Diversion and Emergency Assistance to Families (EAF) payments are not available because Mr. Smith is not categorically eligible for TANF. Emergency Safety Net Assistance (ESNA) is not available in this situation because there is no authority in Part 352 of Office Regulations to pay for car insurance for individuals not categorically eligible for EAF. Therefore, the local social services official determined that a supportive service (a car insurance payment) was necessary for Mr. Smith to obtain employment and divert his need for ongoing assistance. The local district documents that the personal vehicle is needed for Mr. Smith to get to work and authorizes a supportive service payment directly to Mr. Smith's insurance company using payment type "R7" to avert his need for ongoing assistance. The worker decides to issue a supportive services payment even though Mr. Smith maybe eligible for ESNA because there is no authority in Part 352 of Office Regulations to pay for car insurance for individuals not categorically eligible for EAF. (R7 payment type is considered an assistance payment, and it will therefore count towards the state 60-month time limit).

Example 5: Mr. Williams and his family are receiving FA benefits. Mr. Williams is currently employed as a part-time mechanic at a local car dealership. Mr. Williams has an opportunity to begin working as a full-time mechanic making \$17 an hour, 40 hours a week but he must first purchase \$500 in tools. Mr. Williams

has no resources to purchase the tools so he discussed the situation with his SSD worker. The worker determined that this is a diversion situation because Mr. Williams will be able to obtain increased employment that would lead to the closing of the household's TA case. The worker telephoned the manager of the dealership and an agreement was reached that Mr. Williams could purchase a used set of tools for \$400.00 directly from the dealership. At the time of case closing the worker authorizes the purchase of the tools using WMS diversion payment type D7 - Transitional Services Payments (for upstate and NYC WMS).

M. Medicaid Implications

Temporary Assistance for Needy Families (TANF) and Safety Net diversion payments made to avoid the need for recurring assistance are exempt for the purposes of qualifying for Medicaid. Individuals who apply for and receive such payments who also apply for Medicaid must have Medicaid eligibility determined separately. Districts should inform applicants of the availability of health care through the Medicaid, Family Health Plus and Child Health Plus Programs and encourage application for health care.

N. Claiming and Reporting Information

Refer to Fiscal Reference Manual, Volume 2, and Chapter 3 for claiming instructions. Related security deposits and brokers/finders fees are not reimbursed as diversion expenditures. The following schedules and related instructions should be reviewed to determine claiming for diversion expenditures, security deposits and brokers/finders fees:

Schedule A Expenditures for Family Assistance (LDSS-187)

Schedule C Expenditures for Safety Net Assistance (LDSS-1040)

Schedule F Expenditures for emergency Assistance to Needy Families with Children (LDSS-1285)

Refer to the Payment Issuance and Control Subsystem (PICS) manual for BICS category and composite roll matrices that support claiming of diversion amounts.

Please contact the following with claiming questions:

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