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 | ADMINISTRATIVE DIRECTIVE |
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TRANSMITTAL: 92 ADM-30

TO: Commissioners of
 Social Services

DIVISION: Income
 Maintenance

DATE: July 15, 1992

SUBJECT: PA Budgeting: Prorating Grants According to Date Specific
 Eligibility Rules

 SUGGESTED
 DISTRIBUTION: Directors of Income Maintenance
 Staff Development Coordinators
 Directors of Food Stamps
 Directors of Medical Assistance

CONTACT
 PERSON: Public Assistance-contact Greg Nolan at
 1-800-342-3715, extension 4-9313.
 Medical Assistance-contact your county
 representative at extension 3-7581. In New York
 City, 212-417-5853.
 Food Stamps-contact your county representative
 at extension 4-9225.

ATTACHMENTS: Proration Examples - available on-line

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
89 ADM-51		351.25		PASB	GIS Message
82 ADM-5		360-2.6		V-D-all FSSB VI-B	92 IM/DC027

I. PURPOSE

This is to advise social services districts of standardized procedures for proration that must be followed when adjusting or discontinuing a recipient's grant to reflect date specific changes in eligibility.

II. BACKGROUND

While public assistance grants are routinely calculated on a monthly basis, actual eligibility or entitlement to a specific benefit amount may change on any given date within a month.

Previously, some social services districts prorated grants to reflect date specific changes in eligibility or benefit entitlement. However, many other social services districts did not.

The Department filed 18 NYCRR 351.25 on June 5, 1992 effective July 1, 1992. This regulation requires that all districts adjust grants to reflect date specific changes in eligibility or benefit entitlement. This was also outlined in GIS message 92 IM/DC027.

III. PROGRAM IMPLICATIONS

Social services districts are required to adjust public assistance grants to reflect date specific changes in circumstances. This will result in significant financial savings and establish uniform procedures throughout the State.

IV. REQUIRED ACTION

A. Public Assistance

1. Date Specific Eligibility Rules

The fundamental rule of date specific eligibility is that eligibility or entitlement to a specific benefit amount may change on any given date within a month. This will occur for a number of reasons. For example, a case member may leave the household, resulting in a reduced benefit amount, or an entire case may lose eligibility for failure to comply with a procedural requirement.

Under date specific eligibility, social services districts must immediately initiate action to adjust the grant when the recipient experiences a change in circumstances. It is no longer appropriate to wait to adjust a recipient's grant until the start of a new payment cycle.

These procedures apply not only to recurring cash grants, but also to restricted payments such as vendor and two-party checks. See page 7 for the specific payment types that can be prorated.

The social services district cannot adjust the grant until the appropriate timely or adequate notice is provided. The actual change in grant must coincide with the effective date of the notice. For example, a recipient fails to recertify on June 26th and the social services district sends a discontinuance notice that same day which is effective July 6th. Therefore, the recipient would be entitled to benefits through July 5th, unless the recipient recertified or established a "good cause" reason for not recertifying.

It is not necessary to include the specific amount of the prorated benefit in the notice of intent. However, it is necessary to indicate what the change in the grant amount is, when it is effective, and the number of days the client will receive each rate.

For example, Mary Johnson is receiving an ADC grant of \$300 semi-monthly for herself and three children. When the social services district discovers that it does not have a Social Security card for one of Mary's children, it requests that Mary come into the agency to complete an application for a Social Security card. When Mary doesn't come in, the worker sends Mary a timely reduction notice deleting her and the child from the grant effective June 20th. The notice reads: "On June 1st we sent you a letter asking that you come into the agency to apply for a Social Security card for John. Since you failed to do this, you and John can no longer get public assistance. This means that your grant will be reduced from \$300 semi-monthly to \$150 semi-monthly on June 20th. You will receive 4 days of benefits at the \$300 semi-monthly rate and 11 days of benefits at the \$150 semi-monthly rate."

2. Proration Rules

Proration rules are used to determine the portion of a benefit or a cash grant which a recipient is entitled to receive for any part of a month.

To prorate a grant, the social services district must first establish a daily rate. This is done by dividing a monthly amount by 30 days or a semi-monthly amount by 15 days. This daily rate is then multiplied by the number of days in the period for which the proration is being done. The result of this calculation rounded down to the nearest penny is the prorated grant.

Please note that a 30 day standard is to be used when prorating grants. This means that each month is considered to have 30 days, regardless of the actual number of days in the calendar month. Likewise, semi-monthly periods are considered to have 15 days.

3. Prorating PA Grants

Social services districts must follow date specific eligibility rules when there has been a change in a recipient's circumstances. Using these rules, districts must prorate benefits to coincide with the effective date of the notice of intent to change or discontinue a grant.

Please note, however, that it may not always be necessary or possible to prorate a grant during a payment cycle. Changes in a recipient's circumstances which coincide with the start of a payment cycle can be processed using current procedures. In addition, other factors, such as the cut-off date for entry into WMS and whether cash grants or vendorized payments have already been sent to the client or vendor must be considered.

Nonetheless, in most instances, social services districts will be able to adjust the grant for date specific changes. For example, a social services district is notified on June 23rd that an ADC family is financially ineligible, because the mother has started receiving Social Security benefits in excess of the standard of need. A notice would be sent to discontinue benefits for July 3rd, and the family would receive prorated benefits for July 1st and 2nd.

If the family's monthly cash grant were \$300 and their monthly shelter voucher \$270, the prorated benefits would be determined as follows:

$$\begin{aligned} & \$300 \text{ cash grant} \div 30 \text{ days} \times 2 \text{ days} = \$20 \text{ prorated cash} \\ & \qquad \qquad \qquad \text{grant} \\ & \$270 \text{ shelter voucher} \div 30 \text{ days} \times 2 \text{ days} = \$18 \text{ shelter} \\ & \qquad \qquad \qquad \text{voucher} \end{aligned}$$

A \$20 cash benefit and an \$18 shelter voucher would be provided for July 1st and 2nd.

As noted above, these same rules will apply to reductions and increases as well as discontinuances. For example, a parent and child are sanctioned from a three person public assistance case for failure to apply for a Social Security card for the child. The agency sends a reduction notice on June 26th effective July 6th. The benefits from July 1st through 5th would be prorated at a three person rate, and

the benefits for July 6th through July 30th would be prorated at a one person rate. Note that this period only contains 30 days, even though July has 31 calendar days. This is because a 30 day standard is used. The use of a 30 day standard means the 31st day is ignored. If the reduction in grant is from \$600 to \$390 monthly, the prorated benefits would be determined as follows:

$$\begin{aligned} \$600 \text{ (3 person rate)} \div 30 \text{ days} \times 5 \text{ days} &= \$100 \\ \$390 \text{ (1 person rate)} \div 30 \text{ days} \times 25 \text{ days} &= \$325 \end{aligned}$$

Thus, instead of receiving \$600 in July, the family would be entitled to receive \$425.

More examples of proration are contained in the attachment to this ADM.

4. Over/underpayments

There has been no change in the Department's policy regarding over/underpayments. If public assistance benefits cannot be prorated because they have already been sent to the recipient/vendor, the agency will be required to calculate an over/underpayment.

For example, a single HR client is receiving \$300 in rent as a two-party check and \$25 semi-monthly as a cash grant. After the recipient fails to recertify on June 29th, the agency sends a discontinuance notice on July 1st effective July 11th. The agency cannot prorate benefits for the period from July 1st to July 10th, since both the monthly rent check (\$300) and the semi-monthly cash grant (\$25) have already been sent. Therefore, an overpayment exists from July 11th through 30th for rent and from July 11th through 15th for the cash grant. This would be calculated as follows:

Client received \$325 month (rent and cash grant)

Client should have received:

$$\begin{aligned} \$300 \text{ (monthly rent)} \div 30 \text{ days} \times 10 \text{ days} &= \$100 \\ \underline{\$25 \text{ (s/m cash grant)} \div 15 \text{ days} \times 10 \text{ days}} &= \underline{\$16.66} \end{aligned}$$

Overpayment \$325.00 - \$116.66 = \$208.34

Districts should also be aware that for financial changes in circumstances, such as those related to income, resources, lump sums, etc., the change in entitlement to benefits often predates the effective date of the notice. For example, a client may have been ineligible for several months because of unreported income, even though the agency is just now discontinuing assistance. In these instances, the overpayment must be calculated back to the month in which the change occurred.

B. Food Stamps

Households are eligible for food stamps for the entire month based on circumstances that exist on the first day of the month. If the first day of the month falls during a 10 day notice period, household circumstances are considered to be those in effect before the change that causes the 10 day notice to be issued. Therefore, food stamp benefits are not prorated when the public assistance case is closed. In the example above, where the family will receive two days of the prorated PA benefits when the case is closed, they are entitled to the full month's food stamp benefit. If public assistance benefits are being reduced due to proration, but the PA case is remaining open, food stamp benefits are adjusted based on the time frame for making changes as specified in the Food Stamp Source Book, Section VI-B. Note that a reduction in PA benefits may sometimes result in an increase in food stamp benefits.

C. Medical Assistance

Department regulation 360-2.6 allows 30 days for districts to make necessary changes to MA-Only cases. These procedures will continue for ADC-related and SSI-related cases. For HR-related cases, districts are encouraged to correct budgeting as soon as possible within 30 days after the district is notified of relevant changes in the case.

Procedures to close cases before the end of a month are described in 89 ADM-51, Date Specific Medical Assistance Eligibility.

Public assistance cases discontinued under date specific eligibility rules must be referred for an MA-Only eligibility determination as required in 82 ADM-5, Rosenberg v. the City of New York.

V. WMS IMPLICATIONS

WMS Upstate

A new issue code "P - PRORATE" is being added to WMS to identify an amount to be prorated on screen 6 of the DSS-3209. The following requirements will apply to the use of "Issue Code - P".

1. The case type must be 11 (ADC), 12 (ADC-U), 13 (ADC-FC), 14 (PG-ADC), 16 (HR), 17 (VA), 18 (EAA) or 19 (EAF).

2. The payment type must match a corresponding recurring payment type, except that 69 will match an 05 or K1 payment type. The payment types below are valid with Issue Code P: 01, 10, 11, 12, 14, 20-23, 25, 26, 28, 29, 30-38, 40, 46-50, 53-56, 58, 59, 62-64, 66, 69, 71, 81, A6, A7, C7, C8, D2, E1, E3, E5, E7, K2, R0-R7, R9, T1, T2, Q1, Q2, Q4 (see WMS Code Cards for definition).
3. The amount must match a corresponding recurring payment line.
4. The Payment Schedule Code must = "M" or "S".
5. The Payment Schedule Code must match a corresponding recurring payment line, ("M" or "S" will match a blank on the recurring line).
6. For a "pre-change" proration with a "from" date equal to 01 or 16, an historical recurring line must exist, and the "from" date of the proration pay line must be equal to the "old" recurring "to" date plus one day.
7. For a "post-change" proration with a "from" date other than 01 or 16, a non-historical recurring line must exist, and the "to" date of the proration pay line must be equal to the "new" recurring "from" date minus one day.
8. The "from" and "to" dates on the proration pay line must be equal to the same month.
9. If a "pre-change" proration line and a "post-change" proration line exist, the "to" date of the "pre-change" proration line and the "from" date of the "post-change" proration line may not overlap.
10. Upon error-free transmission of a prorated payment line, the Issue Code will be changed to "2 - Once Only", and the amount will be changed to an amount equal to the proportional share (30 days for monthly, 15 days for semi-monthly) of the amount based on the number of days in the effective period.
11. The above change to Issue Code and Amount will not take place until all of screen 6 is error-free in order to facilitate identification and error correction. After an error-free transmission of screen 6 and Issue Code and Amount are changed, screen 6 must be re-transmitted. This is to allow an opportunity to review the prorated amount and make necessary adjustments to the input documents to reflect the newly authorized amount.

PAYMENT LINE EXAMPLES*1. Prorating at Closing

Closing is effective June 18, 1992.

Current Screen 6 of DSS-3209

ACT	PAY TYPE	METH	AMOUNT	ISS	PAY SCH	PK UP	PERIOD FROM	DATE TO	SPC CLM	VENDOR ID
2	05	01	60.00	1	S	1	03/01/92	09/30/92		
2	10	09	150.00	1	S	1	03/01/92	09/30/92		12345

Steps Required to Prorate:

1. Shorten existing paylines to the end of current cycle (06/15/92).
2. Write new proration payment lines to extend the shortened paylines to cover the period up to the date before the closing is effective (06/16/92 to 06/17/92). (The bolded material below indicates these changes).

Adjusted Screen 6 of DSS-3209

ACT	PAY TYPE	METH	AMOUNT	ISS	PAY SCH	PK UP	PERIOD FROM	DATE TO	SPC CLM	VENDOR ID
								06/15/92		
2	05	01	60.00	1	S	1	03/01/92	09/30/92		
2	10	09	150.00	1	S	1	03/01/92	09/30/92		12345
								06/15/92		
2	69	01	60.00	P	S	1	06/16/92	06/17/92		
2	10	09	150.00	P	S	1	06/16/92	06/17/92		12345

*These payment examples are without regard to local district cut-off dates.

WMS edits that apply:

1. New proration lines will be system edited to match shortened payment lines - payment type "69" must be used to match "05" payment type.
2. A "P" must be entered in the issue field to designate the new payment lines as a proration line to the system.

New Screen 6 of DSS-3209

ACT	PAY TYPE	METH	AMOUNT	ISS	PAY SCH	PK UP	PERIOD FROM	DATE TO	SPC CLM	VENDOR ID
2	05	01	60.00	1	S	1	03/01/92	06/15/92		
2	10	09	150.00	1	S	1	03/01/92	06/15/92		12345
2	69	01	8.00	2	S	1	06/16/92	06/17/92		
2	10	09	20.00	2	S	1	06/16/92	06/17/92		12345

2. Prorating When Reducing/Increasing Grant

Reduction is from \$300.00 to \$150.00 semi-monthly effective June 20, 1992.

Current Screen 6 of the DSS-3209

ACT	PAY TYPE	METH	AMOUNT	ISS	PAY SCH	PK UP	PERIOD FROM	DATE TO	SPC CLM	VENDOR ID
2	05	01	300.00	1	S	1	03/01/92	09/30/92		

Steps Required to Prorate:

1. Shorten existing payment line to the end of the current cycle (06/15/92).
2. Write new recurring payment line for start of payment cycle following change (07/01/92 to 09/30/92).
3. Write a new proration payment line to extend the shortened payment line to cover the period up to the date before the change is effective (06/16/92 to 06/19/92).
4. Write a "post-change" proration line to cover the period beginning with the effective date of the change to the end of the payment cycle (06/20/92 to 06/30/92). (The bolded material below indicates these changes).

Adjusted Screen 6 of DSS-3209

ACT	PAY TYPE	METH	AMOUNT	ISS	PAY SCH	PK UP	PERIOD FROM	DATE TO	SPC CLM	VENDOR ID
								06/15/92		
2	05	01	300.00	1	S	1	03/01/92	09/30/92		
2	05	01	150.00	1	S	1	07/01/92	09/30/92		
2	69	01	300.00	P	S	1	06/16/92	06/19/92		
2	69	01	150.00	P	S	1	06/20/92	06/30/92		

WMS edits that apply:

1. New proration lines will be system edited to match shortened and new recurring paylines. "Pre-change" proration line must match shortened payment line. "Post-change" proration line must match new recurring payment line. Payment type "69" must be used to match "05" payment type.
2. A "P" must be entered in the Issue field to designate proration paylines as such to the system.
3. Note that payment lines cannot be shortened into a prior month. Manual proration lines must be written in such instances.

New Screen 6 of DSS-3209

ACT	PAY TYPE	METH	AMOUNT	ISS	PAY SCH	PK UP	PERIOD FROM	DATE TO	SPC CLM	VENDOR ID
2	05	01	300.00	1	S	1	03/01/92	06/15/92		
2	05	01	150.00	1	S	1	07/01/92	09/30/92		
2	69	01	80.00	2	S	1	06/16/92	06/19/92		
2	69	01	110.00	2	S	1	06/20/92	06/30/92		

WMS Downstate (New York City)

Instructions to HRA will be issued under separate cover.

VI. ACCOUNTING IMPLICATIONS

When a payment line is being prorated and the district uses the BICS input document (dirty copy) as the authorization, the prorated payment amount should be handwritten by the data entry operator on the authorization. The purpose of this procedure is to allow the accounting unit to match the check amount to the payment line to see if the check is correct.

VII. EFFECTIVE DATE

This ADM is effective immediately.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Income Maintenance

PRORATION EXAMPLES

I. Discontinuance Example

Andy Jones is an HR recipient. He receives a \$45 semi-monthly cash grant, and his landlord receives a \$180 monthly rent voucher. He also has a \$30 monthly recoupment against his grant.

On July 10th, Mr. Jones fails to keep a recertification appointment. The worker sends a discontinuance notice on July 12th effective July 22nd. The notice reads:

On June 23rd, we sent you a letter asking you to come into the agency to recertify. Since you did not do this, you can no longer get public assistance. Your semi-monthly cash grant of \$45 will be prorated to cover the period from July 16th to July 22nd.

The worker then prorates the \$45 cash grant for the period of July 16th to July 22nd using WMS. This calculation would be:

$$\$45 \div 15 \text{ days} \times 7 \text{ days} = \$21$$

The \$180 monthly rent voucher cannot be prorated since it has already been sent to Mr. Jones' landlords. After Mr. Jones fails to respond to the discontinuance notice, the agency also calculates an overpayment for the portion of rent voucher which covers the period from July 23rd through the remainder of the month, since Mr. Jones was not entitled to any PA benefits for this period. The calculation is as follows:

Rent Benefit Received	\$180
Rent Benefit Which Should Have Been Received ($\$180 \div$ $30 \text{ days} \times 22 \text{ days} = \132)	\$132
Overpayment	\$ 48

The worker also adjusts the recoupment for July, since a full month's recoupment was not recovered. The calculation is as follows:

$$\$30 \text{ recoupment} \div 30 \text{ days} \times 22 \text{ days} = \$22$$

Overpayment records are adjusted to reflect that only \$22 was recouped from July 1st through 22nd.

II. Reduction Example

Mary Thompson is receiving an ADC grant for herself and two children. She receives a \$150 semi-monthly cash grant and a \$300 monthly rent voucher.

On June 22nd, Mary fails to appear in court to have paternity adjudicated against the absent parent of one of her children. This had been requested of her by the district's child support enforcement unit. Consequently, IV-D notifies the PA worker that Mary has failed to comply and that she has not claimed good cause. On June 25th, the worker sends a timely notice to Mary deleting her from the grant. The notice reads:

On June 5th, our child support enforcement unit sent you a letter asking you to go to court on June 22nd to establish paternity against your daughter's father. Since you failed to do this, you are no longer eligible for public assistance as of July 5, 1992. For the period from July 1st to July 15 you will receive 4 days of benefits at a rate of \$150 semi-monthly and 11 days of benefits at a \$90 semi-monthly rate. Beginning July 16th you will receive \$90 semi-monthly.

The worker then prorates the semi-monthly cash grant for July 1st to 4th (three people) and July 5th to 15th (two people). This is done:

$\$150 \div 15 \text{ days} \times 4 \text{ days} = \40
 $\$90 \div 15 \text{ days} \times 11 \text{ days} = \66

Ms. Thompson will receive \$106 for the period from July 1st to 15th.

In this instance, the monthly rent voucher does not need to be prorated, since the entire rent, not just the rent maximum, is on voucher. The deletion of Ms. Thompson from the ADC case does not change the amount of the rent voucher.