TO: Local District Commissioners

SUBJECT: Food Assistance Program (FAP) for Legal Immigrants

ATTACHMENTS: FNS-388, State Issuance of Participation Estimates
(not available on-line)

The purpose of this LCM is to identify the reporting requirements and
settlement process of the local district share for the "Food Assistance
Program for Legal Immigrants." The State legislation was enacted as part of
the New York State Welfare Reform Act of 1997, and was effective
September 1, 1997 for districts that opted into the program. For children
who meet all non-financial requirements for Temporary Assistance to Needy
Families (TANF) benefits, the benefit costs will be eligible for 100%
funding from the State's TANF block grant allocation while the remaining
eligible clients will be funded 50% State/50% Local. As explained later in
this LCM, the State must also reimburse the United States Department of
Agriculture administrative costs for the printing and distribution of food
coupons which will be funded 50% State/50% Local.

Benefit Issuance

An FNS-388, "State Issuance and Participation Estimates," must be submitted
to the Office of Financial Management/Bureau of Local Financial Operations
(BLFO), Attention: Michael Russo, by the 10th of each month (i.e.
February's report is due February 10th) for client estimates to be eligible
for the Food Assistance Program. To timely meet the due dates, districts
should fax or electronically mail a copy of the FNS-388 report to BLFO.
BLFO's fax number is (518) 486-6350. The FNS-388 report must separately
identify the issuance amounts (dollar value of benefits), number of
participating people, and number of participating households to be issued
for the following three categories:
1-alien children under 18 years of age who are in-receipt of TANF.

2-alien children not in-receipt of TANF.

3-elderly or disabled individuals.

If needed, the "Remarks" section can be used.

USDA has issued instructions to States concerning updating FNS-388 data such that estimates need to be revised and actual issuance reported as follows: for example, December's report would show December estimates in the "Current Month" column only. January's report would show January estimates in the "Current Month" column, and in the "Previous Month" column would be December's revised estimate numbers. February's report would show February estimates in the "Current Month" column, January revised estimates in the "Previous Month" column, and December's actual numbers would be in the "Second Preceding Month" column.

In the "Remarks" section include the name and telephone number of the contact person for the FNS-388 report.

**FNS-250 Food Coupon Accountability Report - (For New York City Only)**

NYC/HRA must submit to BLFO a monthly consolidated FNS-250, Food Coupon Accountability Report, for all their prime vendors. Line 22, total value of coupons issued based on documents, of the consolidated FNS-250 report must exclude amounts attributable to FAP. Also, the total for FAP, and the total amount that pertains to funds for alien children under the age of 18 must be reported in the "Remarks Section." BLFO's semi-annual FNS-250 billing letters will adjust the liability amounts reported on Line 23, total value of issuance difference, by the total FAP amounts reported in "Remarks Section."

All of the individual Prime Vendor FNS-250 reports and attachments must be sent to BLFO with the consolidated FNS-250 report no later than 30 days following the end of the report month.

Do not include FAP issuance numbers on the FNS-46, Issuance Reconciliation Report.

**USDA Administrative Costs and Benefit Payments Funding**

USDA requires a monthly pre-payment based on an estimate of the value of coupons to be issued, and the associated printing, shipping and Federal Reserve Costs. USDA's total monthly charges for printing, shipping, and Federal Reserve Costs ("Other costs") is at the rate of $2,800 per million dollars in food coupons issued. Each district will be charged its proportionate share of USDA's "Other costs" based on issuance in each local district. The total benefit and "Other costs" will be shared 50% State and 50% Local.
The Local share of estimated benefit and "Other costs" will be charged back as a below-the-line adjustment on a monthly basis on the district's RF-2 or RF2A State Share Settlement. When the actual benefit and "Other costs" are determined for a specific month we will adjust (+/-) the current estimated charge.

Claims Against Households

If a claim against household has been established under the Federal Food Stamp Program and the household is moved into the Food Assistance Program, then the Local District must continue recoupment and reporting of the monies collected on the monthly DSS-3214, Claims Against Households Report.

If there is an overpayment claim for both the Federal Food Stamp Program and the Food Assistance Program, then any monies collected must first be applied to offset the Federal claim. Additionally, claims relating to the Food Assistance Program cannot be offset by recoupment from Federal Food Stamp Program issuances.

Local District Administrative Claiming Instructions

Food Assistance Program (FAP) local district administrative amounts are included with other Food Stamp administrative costs in column 7 of the DSS-2347, Schedule D, "DSS Administrative Expense Allocation and Distribution by Function and Program." Amounts from Schedule D, line 23, are carried to line 1 of the current DSS-2347E, Schedule D-7, "Distribution of Food Stamp Expenditures to Activities." See Bulletin 143-b for further claiming instructions.

We will propose a cost allocation plan to the Federal government which will explain how we will identify the administrative costs for this program. An FNP factor will be developed based on statistical data, and will be applied to total Food Stamp administrative amounts. The amounts identified for the Food Assistance Program will be funded at 50% State and 50% Local reimbursement.

The Schedule D-7 will be revised to identify FAP FNP costs and reimbursement. We anticipate that Automated Claiming System changes for the Food Assistance Program will not be completed until April, 1998. Until such time, the local districts should continue claiming Food Stamp administrative costs as instructed in Bulletin 143-b. Meanwhile, we will estimate Food Assistance Program FNP administrative costs beginning with the September, 1997 Schedule D-7 and adjust your claims at the State level. Adjustments for the FNP component will appear on Federal and State share settlements, separately identified from "Other costs."

If you have any questions, please call Roland Levie (Regions I-IV) at 1-800-343-8859 extension 4-7549 or Marvin Gold (Regions V-VI) at (212) 383-1733.

Thaddeus Ziemba
Assistant Commissioner
Office of Financial Management