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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 98 LCM-15

Date February 20, 1998

Division: PSQI

TO: Local District Commissioners

SUBJECT: Federal/State Tax Refund Offset Reports

ATTACHMENTS: Examples of F-Trop and S-Trop Reports (Attachments
available on-line)

The purpose of this LCM is to familiarize Local Districts with the reports that are produced for the Federal Tax Refund Offset Program (F-Trop) and the State Tax Refund Offset Program (S-Trop). The F-Trop reports will be produced every two weeks. The S-Trop reports will be produced each month.

Thaddeus Ziemba
Assistant Commissioner
Bureau of Financial Services

The purpose of this letter is to describe the information displayed on the 5 F-Trop and 5 S-Trop Distribution Reports. If you participate in F-Trop and S-Trop these reports will be symed to your BICS cluster. The reports will be received each cycle. These reports should start to be received by your district in mid February for S-TROP and mid-March for F-TROP.

S-Trop Reports

1. Collection Distribution Summary for S-Trop (CAMS0151)

This report summarizes the final Federal, State and Local shares for each cycle. The Local share identified on the report is the amount distributed to your district through an adjustment on a quarterly basis to the State Share Settlement. The shares are computed as follows:

a) All ADC collections and reversals as reported on CAMS0154 are totaled and distributed based on the current percentages of:

Federal 50%
State 25%
Local 25%

Collections are added to the Final Distribution total and reversals are subtracted from each share.

b) All HR collections and reversals as reported on the CAMS0154 are totaled and distributed based on the current retention percentages:

Federal 0%
State 50%
Local 50%

c) Total Unapplied Reversals from CAMS0153, represents previous period rebates that are now being reversed. These are subtracted 100% from the Local share.

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d) Total Rebates from CAMS0152, representing situations in which the distribution must be made back to the individual, are added 100% to the Local share.

e) Collections that are applied to Interest and Penalty as listed on CAMS0155 are netted and 100% is reported as an increase to the Local share.

2.Social Services Trust Rebates For S-Trop Cycle (CAMS0152)

Rebates represent situations in which an automatic posting was attempted, but all or a portion of the claim could not be posted. Usually these situations occur when the client has paid the claim, but the tax refund was also collected. The unposted amount will be identified as a rebate.

3.Disputed Offsets For S-Trop Cycle (CAMS0153)

CAMS0153 represents reversed rebates. This unique situation occurs when a previous period rebate is being reversed in the current cycle. This means that the individual has received the tax refund from both the Local District and New York State Tax and Finance. Since the individual has received their refund twice, a claim must be established for the disputed amount and efforts made to have the individual pay the new claim balance.

4.Refunds Applied/Reversed to PA Claims for S-Trop Cycle (CAMS0154)

The Applied/Reversed report identifies all claims that have automatically been posted. The claim balance will decrease for collections and increased for reversals. The amounts are segregated between the ADC and HR categories.

5.Refunds Applied/Reversed to Claim Penalties/Interest for S-Trop Cycle (CAMS0155)

Report CAMS0155 identifies the same collections and reversal posting as listed in CAMS0154, but the Penalties/Interest listing identifies the portion of the posting that was applied to the Penalties/Interest amount in the claim.

It should be noted that the BICS Composite Roll has been modified to exclude these refunds. Thus no manual adjustment is required by districts.

F-Trop Reports

1.Collection Distribution Summary for F-Trop (CAMS0051)

This report summarizes the final Federal, State and Local shares for each cycle. The Local share identified on the report is the amount

distributed to your district through an adjustment on a quarterly basis to the State Share Settlement. The shares are computed as follows:

a) All Inadvertent Household Error collections and reversals as reported on CAMS0054 are totaled and distributed based on the current percentages of:

Federal 80%
State 15%
Local 5%

Collections are added to the Final Distribution total and reversals are subtracted from each share.

b) All Intentional Program Violation collections and reversals as reported on the CAMS0054 are totaled and distributed based on the current retention percentages:

Federal 65%
State 26.25%
Local 8.75%

c) Total Unapplied Reversals from CAMS0053, represents previous period rebates that are now being reversed. These are subtracted 100% from the Local share.

d) Total Rebates from CAMS0052, representing situations in which the distribution must be made back to the individual, are added 100% to the Local share.

e) Collection fees are being paid by the State and thus 100% of the Collection fee total is subtracted from the State distribution.

f) Collections that are applied to Interest and Penalty as listed on CAMS0055 are netted and 100% is reported as an increase to the Local share.

2.Social Services Trust Rebates For F-Trop Cycle (CAMS0052)

Rebates represent situations in which an automatic posting was attempted, but all or a portion of the claim could not be posted. Usually these situations occur when the client has paid the claim, but the tax refund was also collected. The unposted amount will be identified as a rebate. The address on the report is the most current IRS address, and should be used as the address to send the rebate amount back to the individual.

3.Disputed Offsets For F-Trop Cycle (CAMS0053)

CAMS0053 represents reversed rebates. This unique situation occurs when a previous period rebate is being reversed in the current cycle. This means that the individual has received the tax refund from both the Local District and the IRS. Since the individual has received their refund twice, a claim must be established for the disputed amount and efforts made to have the individual pay the new claim balance.

4. Refunds Applied/Reversed to Food Stamp Claims For F-Trop Cycle
(CAMS0054)

The Applied/Reversed report identifies all claims that have automatically been posted. The claim balance will be decreased for collections and increased for reversals. The amounts are totaled between the IHE and IPV categories to determine the retention percentages.

5. Refunds Applied/Reversed to Claim Penalties/Interest for F-Trop Cycle
(CAMS0055)

Report CAMS0055 identifies the same collections and reversal postings as listed in CAMS0054, but the Penalties/Interest listing identifies the portion of the posting that was applied to the Penalties/Interest amount in the claim.

The F-Trop monies received are to be reported as a negative amount on line 3B, Balance Adjustment, on the DSS-3214, (Food Stamps Program-Status of Claims Against Households). If the intercept pays the claim in full, the number of claims will be reduced using Line 8, Closed. This will result in the intercept amount being deducted from the outstanding claim balance, but will not result in the collection being included in the retention amount. The local district share will be received as a below-the-line adjustment on the RF-2 Federal Settlement, and thus must be excluded from the DSS-3214 retention amount.

The F-Trop amount must also be identified in the Remarks section of the DSS-3214.

For districts that are using full CAMS, the system generated DSS-3214 will include the intercept monies on line 3B. For districts only using CAMS for the intercept, line 3B of the report must be manually adjusted to include the collections.

If you have any questions on these reports or any issues with the distribution, please call Roland Levie (Region I-IV) at 1-800-343-8859, ext. 4-7549, or Marvin Gold (Region V) at (212) 383-1733.