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## Informational Letter

### Section 1

<b>Transmittal:</b>	01 INF 23
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Division of Temporary Assistance
<b>Date:</b>	November 8, 2001
<b>Subject:</b>	TA Diversion Payment Type F6-Diversion Rental Payment
<b>Suggested Distribution:</b>	Temporary Assistance Directors Medical Assistance Directors Staff Development Coordinators Child Assistance Program Coordinators
<b>Contact Person(s):</b>	Contact the Central Team at 1-800-343-8859, extension 4-9344
<b>Attachments:</b>	None
<b>Attachment Available On – Line:</b>	<input type="checkbox"/>

### Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
00 INF-3			45 CFR, Parts 260 and 265		WMS Coordinator letters 6/07/99,10/26/99 and 7/03/2001

### Section 2

#### I. Purpose

The purpose of this Informational Letter is to inform Social Services Districts (SSDS) that a new payment type intended to identify short-term diversion rent payments, has been created for the upstate Welfare Management System (WMS).

#### II. Background

00-INF-3 “TA Diversion Payments: Clarification of Purpose and Use”, defined three new Temporary Assistance (TA) diversion payment types and clarified their use. Upstate WMS payment type “F5 - Diversion Payment”, was defined as a payment type that should be used for short-term payments when authorizing crisis items such as shelter costs, moving expenses, storage fees, or household structural or equipment repairs.

Diversion payment type “F5” did not distinguish rental shelter cost from other allowable items that could be authorized when using this payment type. This contributed to inaccurate federal reporting because some districts were identifying short-term diversion rental payments by using payment type “E3-Rental Supplement”. Also, payment type “F5” was not included among the payment types that generate Federal Internal Revenue Service (IRS) form 1099, resulting in landlords not receiving IRS 1099s for rental payments.

### **III. Program Implications**

#### **A. Federal Temporary Assistance (FA, SNA-FP and EAF)**

Effective July 9, 2001, upstate WMS supports payment type “F6-diversion Rental Payment”. This payment type is used to authorize a short-term diversion payment for rent. This diversion payment type can be issued only to families who are categorically eligible for Family Assistance (FA), including families receiving Non-Cash Safety Net-Federally Participating (SNA-FP). As with other diversion payment types, this payment type cannot be used to authorize payments for Safety Net Assistance (SNA), security deposits or brokers’/finders fees.

There is no change in TA policy that a diversion payment is issued to divert applicants from the need for ongoing assistance by meeting a specified once only or short-term item of need. Also, there is no change that short-term payments must not exceed four months in duration.

Payment type “F6-Diversion Rental Payment” must be authorized as a single-issue payment. This payment type can be authorized as either a restricted or unrestricted payment. Payment type “F6-Diversion Rental Payment” is considered non-assistance therefore, it will not count towards State 60-month time limit tracking or for the child support management system (CSMS). A payment type to support this diversion payment is being developed for New York City WMS

Upstate WMS payment type “F5-Diversion Payment” must be used to authorize diversion payments relating to mortgage costs and non-shelter costs such as moving expenses, storage fees or household structural and equipment repairs.

#### **B. Food Stamps Implications**

A Temporary Assistance for Needy Families (TANF) payment made to divert a family from becoming dependent on welfare 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.

#### **Issued By**

**Name: Patricia A. Stevens**

**Title: Deputy Commissioner**

**Division/Office: Division of Temporary Assistance**