

September 3, 2019

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**COUNTY FISCAL LETTER NO. 19/20-11**

The purpose of this County Fiscal Letter (CFL) is to remind County Welfare Departments of the requirements related to the reconciliation of Electronic Benefit Transfer (EBT) issuances outlined in [CFL No. 01/02-62](#). Additionally, this CFL informs counties of the need to reconcile issuances related to the recently implemented Supplemental Nutrition Benefit (SNB) and Transitional Nutrition Benefit (TNB) programs. This letter also provides details regarding the new state funded account established as a result the SNB and TNB programs and updates the instructions related to claiming of costs associated with EBT issuances.



KIM JOHNSON  
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
744 P Street • Sacramento, CA 95814 • [www.cdss.ca.gov](http://www.cdss.ca.gov)



GAVIN NEWSOM  
GOVERNOR

September 3, 2019

COUNTY FISCAL LETTER (CFL) NO. 19/20-11

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY AUDITOR CONTROLLERS  
ALL COUNTY TREASURER'S OFFICE

SUBJECT: REMINDER REGARDING THE ELECTRONIC BENEFIT  
TRANSFER SETTLEMENT AND RECONCILIATION  
REGULATIONS AND THE IMPLEMENTATION OF A STATE  
ACCOUNT TIED TO THE SUPPLEMENTAL NUTRITION BENEFIT  
AND TRANSITIONAL NUTRITION BENEFIT PROGRAMS

REFERENCE: [ACL NO. 18-91, DATED JULY 31, 2018](#); [ACL NO. 18-92, DATED  
JULY 31, 2018](#); [COUNTY FISCAL LETTER \(CFL\) NO. 18/19-40E,  
DATED DECEMBER 31, 2018](#); [CFL NO. 18/19-40, DATED  
NOVEMBER 30, 2018](#); [CFL NO. 15/16-40, DECEMBER 31, 2015](#);  
[CFL NO. 14/15-57, DATED MARCH 30, 2015](#); [CFL NO. 01/02-62,  
DATED SEPTEMBER 16, 2002](#)

The purpose of this CFL is to remind County Welfare Departments (CWDs) of requirements related to the reconciliation of Electronic Benefit Transfer (EBT) issuances outlined in [CFL No. 01/02-62](#). Additionally, this CFL informs counties of the need to reconcile issuances related to the recently implemented Supplemental Nutrition Benefit (SNB) and Transitional Nutrition Benefit (TNB) programs (refer to [ACL No. 18-91](#) and [ACL No. 18-92](#) for implementation information). Lastly, this letter provides details regarding the newly established account for state-funded benefit programs and updates the instructions related to the claiming of costs associated with EBT issuances.

Funds used to issue benefits under the SNB and TNB programs originate from a new state account outside of the Centralized State Treasury System. The new state account was established by CDSS to manage EBT issuances for state funded benefit programs, including the SNB and TNB programs. This account directly transfers state funded benefits to EBT cards, paralleling the model the United States Department of Agriculture

uses to transfer federally funded CalFresh nutrition benefits to EBT cards. This account began funding SNB and TNB program benefits on June 1, 2019.

### **Reminder Regarding Responsibilities for Reconciling EBT Issuances**

As a reminder, counties are required to reconcile funds entered into, exiting, and remaining in the EBT system each day. The specific responsibilities outlined in CFL No. 01/02-62 have not changed. The current EBT contractor is Fidelity Information Services, Limited Liability Company.

### **SNB and TNB Reconciliation**

In addition to the reconciliation of amounts for the California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh, county programs, and all other benefit types, counties must also reconcile amounts reported through the Statewide Automated Reconciliation System (SARS) application that correspond to issuances under the recently implemented SNB and TNB programs. Counties should use the numbers under the Amount column in the Deposits row of the SNB and TNB benefit types in the Monthly Benefit Drawdown Report in the SARS to reconcile the issuance amounts for SNB and TNB benefits.

### **Update to EBT Issuance Costs Claiming**

As outlined in [CFL No. 14/15-57](#), counties are required to calculate a caseload ratio in order to redistribute a portion of Program Code (PC) 211 (EBT Issuance) costs to CalWORKs and General Assistance/General Relief (GA/GR) County Only funding sources. In addition to CalFresh, CalWORKs, and GA/GR issuances, costs associated with issuance of EBT benefits now will include TNB issuances. As with CalWORKs and GA/GR issuance costs, counties shall calculate a ratio based on the number of TNB issuances in the EBT system (i.e., SARS) divided by the total EBT issuances during one month of the quarter.

Counties should use the number under the Count column in the Deposits row of the TNB benefit type in the Monthly Benefit Drawdown Report to obtain the number of TNB issuances. To derive the number of CalFresh issuances, counties should subtract the number of TNB issuances from the sum of the counts of Active Food Only Cases and Active Combined Food and Cash Cases found on the Monthly Statistics Report. The SNB related issuances should not be included in this calculation as they are a food benefit and issued concurrently with CalFresh, and therefore they do not generate any additional costs in the EBT system.

Like other non-CalFresh costs, TNB costs must be manually shifted away from PC 211. Effective with the September 2019 claiming quarter, Program Identifier Number (PIN) 442025 (SNB/TNB – Issuance) should be used capture the TNB share of EBT

issuance costs. Counties must calculate the TNB share of costs for EBT issuance activities from PC 211 and manually shift those costs to PIN 442025.

Additionally, effective with the September 2019 quarter, TOE code 25 has been removed from PC 343. CalFresh EBT issuance costs should be claimed using PIN 211025 (EBT Issuance – Issuance).

### **SNB and TNB Aid Codes**

As stated in [ACL No. 18-91](#), a new aid code has not been developed for the SNB program and a CalFresh household's aid code will not be changed as a result of the household's receipt of SNB program benefits. Accordingly, aid code 09 is used to issue both CalFresh and SNB benefits. The TNB benefits will be issued under aid code 0H.

As a reminder, since these nutrition benefits are distributed directly by the state via EBT cards (similar to CalFresh benefits), the cost of food benefits should not be claimed on either the CA 800 assistance claims or the administrative County Expense Claim.

Questions regarding this letter may be directed to [fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov). EBT specific questions can be directed to the EBT Unit at [CDSSEBT@dss.ca.gov](mailto:CDSSEBT@dss.ca.gov).

Sincerely,

### ***Original Document Signed By:***

SALENA CHOW, Chief  
Fiscal Forecasting and Policy Branch