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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 93 ADM-9

TO: Commissioners of  
 Social Services

DIVISION: Economic  
 Security

DATE: April 12, 1993

SUBJECT: Quarterly Reporting System (QRS)

SUGGESTED

DISTRIBUTION: Public Assistance Staff  
 Medical Assistance Staff  
 Food Stamp Staff  
 Staff Development Coordinators

CONTACT

PERSON: For public assistance questions contact Greg Nolan  
 at 1-800-342-3715; extension 4-9313, for food stamp  
 questions, contact your county representative at  
 4-9225.

ATTACHMENTS:

Attachment I - Copy of the Quarterly Mailer - not  
 available on-line  
 Attachment II - DSS-4310A - Follow-up to the Quarterly  
 Contact Report - not available on-line

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
91 ADM-14	91 ADM-14	351.1		PASB	GIS 93 ES/
91 ADM-2	91 INF-7	351.20		VI-B-2-all	DC003,
89 ADM-50	88 INF-69	351.21		VI-B-3-all	ES/DC005 and
86 ADM-28	86 ADM-28	351.22		XII-G-all	ES/DC008
82 ADM-5		351.24		XIII	
91 INF-7		352.17		FSSB	
88 INF-69		352.31		VI-B-2	
92 LCM-175		358-3.3		VI-B-2.1	
		387-17(d)		VI-B-3.1	
				XII-G-1	

I. PURPOSE

This directive advises districts that the public assistance monthly reporting and retrospective budgeting (MRRB) process has been replaced with a system requiring quarterly reporting and prospective budgeting for the cases of public assistance and public assistance - food stamp applicants/recipients who have earned income. It also establishes a quarterly reporting requirement in place of change reporting for non-public assistance (NPA) - food stamp applicant/recipients who have earned income. NPA-FS households already are budgeted using prospective budgeting.

II. BACKGROUND

For public assistance, the Omnibus Reconciliation Act of 1990 (OBRA '90) made MRRB a State option. MRRB has been eliminated because it was a complex and confusing system that monopolized staff time.

For food stamps, the United States Department of Agriculture (USDA) has approved a one year waiver allowing the use of quarterly reporting and quarterly budgeting. Department regulation 387.17(d) was amended on January 1, 1993 to enact the waiver provisions.

III. PROGRAM IMPLICATIONS

Appropriate cases will be contacted quarterly. Two contacts will use the face-to-face recertification process, and two will use quarterly report mailers.

The Department will identify cases subject to the quarterly reporting system and send out the quarterly reports. Social services districts will be required to process the quarterly reports submitted by these cases and rebudget them using prospective budgeting procedures. Social services districts will still be responsible for scheduling and conducting all required recertifications.

IV. REQUIRED ACTION - Public Assistance and Food Stamps

A. Quarterly Reporting System

This section outlines the procedures that districts must follow under the quarterly reporting system.

1. Required Definitions

The following definitions are used in this directive:

- a. Report Quarter - This is the three month period from which the circumstances and last four weeks income are used in the process month to calculate the PA grant and FS benefits for the payment quarter. The report quarters in the example below are (1) January - March, (2) April - June, (3) July - September and (4) October - December.
- b. Face-to-Face Recertification (FFR) - This is the normal recertification interview that social services districts must complete twice per year. In the example below, FFR's are scheduled for January and July. The FFR month is also a process month.
- c. Quarterly Report (QR) - This is the form (DSS-4310 see attachment I) that cases subject to quarterly reporting must complete and return to the social services districts between semi-annual FFR's. In the example below, the case would receive quarterly reports in March (due back April 10) and September (due back October 10). Note that quarterly reports will not be sent by fixed calendar quarters. Rather, quarterly reports will be sent in the second month following the recertification reauthorization.
- d. Process Month - This is the month when the worker must either process the information obtained at recertification (the interview can be done that month or during the prior month) or the recipient must return the QR and the worker must process the information from the report quarter. In either case, the worker must compute the benefits for the corresponding payment quarter during this month. In the example below, the information from the first report quarter (January through March) is reported on the March quarterly report, processed by the worker in April, and used to calculate the PA grant and FS benefit for the payment quarter of May through July.
- e. Payment Quarter - This is the three calendar month period for which benefits are paid based on the average income and/or circumstances in the corresponding report quarter. In the example below, the information for the report quarter of January through March is used to determine the grant for May through July.

Quarterly Reporting Example

Report Quarter	1			2			3			4		
MONTH	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
ACTIVITY	FFR PRO-- CESS MONTH	-	QR SENT	QR PRO-- CESS MONTH	-	-	FFR PRO-- CESS MONTH		QR PRO-- CESS MONTH	QR PRO-- CESS MONTH	-	-
PAYMENT QUARTER	3		4			1		2			3	

## 2. Cases Subject to the Quarterly Reporting System

The following cases must report to the social services district on a quarterly basis:

- a. All public assistance cases with earned income except households with TEAP (WSP) income.
- b. NPA food stamp cases with earned income except:
  - (1) households in which someone receives SSI income;
  - (2) seasonal/migrant worker households;
  - (3) households in which the only earned income is from annualized self-employment; and
  - (4) persons who reside in group living arrangements.

NOTE: In addition to the four exceptions noted under b. immediately above, PA/FS migrant households are not subject to quarterly reporting or quarterly budgeting.

Prospective budgeting procedures began on January 1, 1993 for PA and PA/FS households (see Section IV-B following). However, the first quarterly reports will not be sent until the last weekend in March 1993. These reports will be processed in April to recalculate benefits for the payment quarter of May to July 1993.

## 3. Types of Quarterly Contact

All cases subject to the quarterly reporting system must have six month certification periods, must complete semi-annual face-to-face recertifications and return a quarterly report between each face-to-face recertification.

Department waivers granted to districts which allow for a mail-in recertification in lieu of one of the semi-annual PA face-to-face recertifications no longer apply to earned income cases. These cases must be seen for semi-annual face-to-face recertification under quarterly reporting. Waivers continue to remain in effect for non-earned income cases.

For public assistance and NPA/FS earned income cases, social services districts are strongly encouraged to make every effort to accommodate recipients and their need for as little disruption as possible in their work schedules. This can be done in several ways, for example:

- (1) schedule required face-to-face recertifications outside of normal working hours, if necessary; and
- (2) conduct the interview in a timely fashion so that the recipient misses as little work time as possible.

Districts are encouraged to think of other alternatives that will fit the needs of recipients and the agency.

For NPA/FS, several waivers from the quarterly reporting process were granted in accordance with the waiver request procedures outlined in 92 LCM-175. The districts receiving waivers have already been notified that their requests have been approved for a one year period effective March 1, 1993.

#### 4. Quarterly Reports

The Department has developed and will mail the quarterly report to those cases subject to the quarterly reporting process. Quarterly reports will be sent by WMS in the second month following initial certification and each semi-annual face-to-face recertification authorization. Note, however, that quarterly reports will not be sent to cases that have an authorization period of four months or less. This means that applicants with earnings that are seen for their initial recertification three months after case opening will not be sent a quarterly report until the second month following recertification authorization.

Quarterly reports will be due back to the social services district by the 10th of the following month (process

month). Unlike the monthly reporting system, no second quarterly report will be automatically mailed by WMS if the mailer is not returned by the cutoff date. Social services districts will be responsible for follow-up on non-returned and incomplete reports (see IV-A-5.b following).

The quarterly report will request the following information:

- a. Changes in report quarter income, household circumstances and other circumstances relevant to the amount of assistance; and
- b. Any changes in income, resources or other relevant circumstances affecting benefits which the recipient expects will occur in current or future months.

A report quarter is comprised of a three month period. It will be necessary for public assistance and food stamp quarterly reporting cases to retain paystubs for the last month (4 weeks) of the report quarter.

5. Processing Quarterly Reports

a. Completed Reports

Completed quarterly reports must be returned to the social services district by the 10th of the process month.

When a recipient returns a quarterly report, the worker must review the report and determine if it is complete. A report is complete when the recipient has:

- (1) answered all questions;
- (2) provided verification of the last four weeks income; and
- (3) signed and dated the report on or after, not before, the last day of the report quarter.

If the report is complete, the worker must:

- (1) make all necessary changes indicated by information in the report;
- (2) rebudget the case using prospective budgeting procedures (see Section IV-B following);

- (3) if the grant changes for the next payment quarter, send a DSS-4016: "Notice of Intent to Change Benefits" (adequate only notice) for PA cases or DSS-3621 "Notice of Intent to Change Food Stamp Benefits" (adequate only notice) for NPA/FS cases no later than the date of change; and
- (4) if the case is no longer eligible, send a DSS-4016 for PA cases or DSS-3621 for NPA/FS cases no later than the date of the closing.

b. Incomplete or Non-Receipt of Report

If the social services district does not receive a quarterly report by the 10th of the process month or the report is incomplete, the worker must send a timely (10 day) DSS-4015 "Notice of Intent to Change Benefits" for public assistance cases or DSS-3620 "Notice of Intent to Change Food Stamp Benefit" for NPA/FS cases to discontinue benefits no later than the last day of the process month. If no report was returned, the "Follow-up to the Quarterly Contact Report" (DSS-4310A - see attachment II) must be sent with the notice and a return envelope. If an incomplete mailer was returned, a copy of the incomplete report with an explanation of what information is necessary to complete the mailer is sent with the notice.

If the recipient furnishes the required information before the closing date of the discontinuance notice, the worker must:

- (1) determine if the report is complete;
- (2) if the report is incomplete, attempt to recontact the recipient to explain what information is necessary; or
- (3) if the report is complete, void the closing and process the report.

If the recipient does not furnish the information before the effective date of the notice, the recipient must reapply to continue receiving benefits, unless there was good cause for failure to return the report.

7. Good Cause for Failure to Return a Report

Good cause for failure to return a completed quarterly report by the end of the process month exists only when:

- a. the recipient has a physical or mental condition which prevents complete reporting; or
- b. the failure to submit a completed report is directly attributable to Department or social services district error; or
- c. there are other extenuating circumstances under which the recipient cannot be reasonably expected to fulfill the responsibility to report for reasons beyond the recipient's control.

The social services worker must document the basis for accepting or rejecting a good cause claim in the case record.

B. Prospective Budgeting

1. Projecting Average Monthly Earnings

Prospective budgeting involves what is known as "the best estimate process". This is the process that must be followed to determine the amount of income which must be counted in the budget.

When computing the grant amount for a payment quarter, the worker must calculate the projected average monthly earnings for the quarter by:

- a. Averaging the last four weeks of pay.

This is done by:

- (1) taking each week of pay, adding together, and dividing by four; and
- (2) then taking this weekly average and multiplying by 4.333 weeks (ABEL does this automatically) to arrive at a monthly figure.

If any of the past four weeks pay is higher or lower than the other three pays because of an unusual circumstance that the agency does not expect to continue, then the unusual pay week must be discarded and the average monthly wages determined by averaging the three remaining weeks and multiplying by 4.333 weeks. Examples of unusual circumstances include:

- (1) missing a week of work because of illness;
- (2) overtime that is not expected to last;



- (3) temporary closing of a plant, etc.

If the worker has no reason to believe that the high or low pay is temporary, then the average must be based on the four weeks of pay.

Please note that for public assistance, districts were not instructed to discard unusual pays in the regional training conducted in November and December of 1992. This is a change in policy based on district recommendations following the training.

This averaging method is used only if there has not been a significant change in pay. A significant change in pay is any increase or decrease that is expected to last at least thirty days.

Examples of significant changes are:

- (1) a pay raise;
- (2) working more hours;
- (3) taking a second job; and
- (4) going from part-time to full-time employment.

- b. Using the most current pay information when the last four weeks of pay cannot be used because there has been a significant change in pay.

The most current pay information requires that the hourly wage rate be multiplied by the number of hours per week and 4.333 weeks per month.

- c. Converting non-weekly wages to an average monthly income amount by using the following conversion factors:

- (1) bi-weekly wages: multiply by 2.166;
- (2) semi-monthly wages: multiply by 2;
- (3) monthly wages: no conversion factor required;
- (4) contractual wage: divide contractual wage by number of pay weeks in contract and multiply by 4.333.

ABEL automatically converts semi-monthly and bi-weekly wages to an average monthly income amount. Some examples will illustrate how the best estimate process works.

Variable Income Example

The following four weeks of pay stubs are provided with a note stating that overtime wages are included in these stubs.

<u>Date</u>	<u>Amount</u>
4/4	\$281
4/11	\$250
4/18	\$231
4/25	\$291

However, no statement is made by the household as to expected income in the future. In this situation, since the worker has no reason to believe the overtime or wide variation in income will stop, all four weeks are used to average and prospectively budget for the next quarter. This is done as follows:

\$281
\$250
\$231
<u>\$291</u>
\$1,053 ÷ 4 weeks x 4.333 weeks = \$1,140.66

In this example, \$1,140.66 would be applied in the budget as gross earned income.

Discarding Low Payweek Example

The following pay is reported and verified:

<u>Date</u>	<u>Amount</u>
4/4	\$150
4/11	out sick
4/18	\$150
4/25	\$150

The household includes a note stating that the employed person is again well and working. Since the one week of earnings is considered a temporary exception, the worker ignores this week when determining the average income. This is done as follows:

\$150
\$150
<u>\$150</u>
\$450 ÷ 3 weeks x 4.333 weeks = \$649.95

In this example, \$649.95 would be applied in the budget as gross earned income.

2. Budgeting Average Monthly Earnings

Once a social services district has projected the average monthly earnings, it must apply the projected earnings against the needs for each month of the future payment quarter.

The PA grant and FS benefits for recipients must be recalculated at each semi-annual face-to-face recertification and when each quarterly report is received. When an adjustment in the PA grant or FS benefits is made because of information provided on a quarterly report, the adequate notice of change needs to be sent as soon as possible, but no later than the date the change is made. Otherwise timely notice must be used.

3. Changes in Earned Income During a Payment Quarter

PA recipients are still obligated to report timely any other changes in household circumstances which occur during a payment quarter.

If a public assistance recipient experiences a significant change in the amount of earnings during a payment quarter, the social services district must obtain verification of the change and adjust the benefit.

NPA/FS recipients may choose to report changes at anytime aside from the required reporting on a quarterly report or at recertification. If the NPA/FS recipient does opt to report a change at a time other than on the quarterly or at recertification, then the SSD must take appropriate action within ten days of receipt of the report.

4. Timely Report of Changes

Public Assistance

Unlike the monthly reporting system, a timely report of earned income is not tied into the return of the quarterly report itself.

However, quarterly reporting does not relieve PA recipients of their responsibility to report changes in a timely manner. Recipients must report the initial receipt of earnings as well as any future increases within ten days of receipt of the initial or increased earnings.

This means that a report of new or increased earnings made more than 10 days after receipt is not timely, but a report made more than 10 days prior to the end of the month is timely for the next month and each successive month.

A recipient who fails, without good cause, to report new or increased earnings in a timely manner is not entitled to the earned income disregards.

An example will illustrate this:

Edna Johnson begins employment in June 1993. She receives her first pay June 7th. However, Edna does not report the income until August 25th. Edna will not get disregards for June, since she did not report the income within ten days of receipt, nor will she get disregards for July, August and September, since she did not report the income at least 10 days prior to the start of these months.

#### Food Stamps

Federal food stamp regulations prohibit requiring a household to both report changes as they occur (change reporting) and at periodic intervals (quarterly reporting). Therefore, PA and NPA food stamps households which are required to quarterly report are only required to report changes on the quarterly report and at recertification.

Food stamp households that are required to quarterly report may voluntarily report changes at any time. If a food stamp household voluntarily reports a change or reports to fulfill a PA requirement, the local district is required to act on the change to increase or decrease the food stamp budget. The action on such change must be taken according to the change reporting time frames and notice requirements specified in VI-B-2.1 and VI-B-3.1 of the Food Stamp Source Book.

These change reporting requirements have implications for food stamp budgeting. The FS budget that is calculated for quarterly reporting PA/FS and NPA/FS households at application, at recertification, or when the quarterly report is submitted is the budget for the entire payment quarter. The FS budget is changed during that quarter if the household voluntarily reports a change or reports a change to fulfill a PA requirement. However, if a change occurs and the household does not report it during the payment quarter there is no underpayment or overpayment for food stamps. If the household does not report the change at next quarterly or recertification contact or the agency

fails to take correct action on a reported change at any time, an underpayment or overpayment will count as a food stamp error.

5. Supplementation for Hardship

Public Assistance

Temporary changes in earned income do not require that the ongoing PA grant be adjusted. A temporary change is any increase or decrease in earned income which is expected to last less than 30 days.

At times, however, a temporary loss of income may cause a hardship. When this occurs, the district must supplement the client for the loss of earnings.

To receive a supplement the recipient must:

- (1) request a supplement;
- (2) provide verification of the reduced earned income amount no later than ten days after the month in which the reduction occurred; and
- (3) establish that the reduction in earned income was beyond the recipient's control. Beyond the recipient's control means that the reduction resulted from:
  - a. a mental or physical problem that the recipient had;
  - b. the employers determination to reduce hours of work or wages; or
  - c. other extenuating circumstances under which the recipient could not reasonably be expected to earn the same amount of income.

To determine the amount of the supplement the worker must compute a budget showing the reduced income amount. An example will illustrate:

Mike Nash normally receives a \$100 weekly paycheck. The agency is budgeting \$433.30 (\$100 x 4.333 weeks) against Mike's needs of \$500. Mike is out of work for one week because of illness. When Mike notifies the worker of this and provides verification by the end of the month, the agency completes a new budget with \$100 less in gross income. The supplement is computed by

comparing what Mike actually received to the budget with the reduced income applied. This is done:

<u>Received</u>	<u>Reduced Income Budget</u>
\$500 needs	\$500 needs
- \$343.30 net applicable	- \$243.30 net applicable
income (\$433.30-	income (\$333.30-
\$90 disregard)	\$90 disregard
\$156.70 grant	\$256.70 grant

Since the budget with the temporarily reduced income provides for a larger grant than what Mike actually received, the difference of \$100 is the supplement amount.

Supplements to meet a temporary loss of income must not be used to offset outstanding overpayments.

Note that overpayments are not calculated for temporary increases in income.

#### Food Stamps

Any PA supplements authorized are not to be budgeted as income for food stamps.

#### 6. Over/Underpayments

##### Public Assistance

If a client has a significant change in income during a report quarter for which the agency has not adjusted the PA grant, an over/underpayment must be calculated beginning with the actual month in which the significant change occurred.

For example, if a client submits a quarterly report for the period of March to May 1993 that shows that the client started a second unreported job in April, an overpayment would have to be calculated beginning with April 1993.

Over/underpayments are always determined by comparing what the client actually received to what the client would have received with their actual monthly income budgeted.

For overpayments prior to January 1, 1993, districts must first determine if the case was actually on monthly reporting. If the case was not on monthly reporting, the overpayment must be calculated by comparing each month's benefit to the benefit which would have been received with the actual month's income applied. For PA cases that received monthly reports, the overpayment must be calculated according to MRRB rules.

V. MEDICAL ASSISTANCE IMPLICATIONS

In accordance with the decision in the case of Rosenberg v. City of New York, Blum, et al. (82 ADM-5), when a PA case is closed, medical assistance (MA) must be continued until a separate determination for MA is done unless both PA and MA can be closed concurrently for the same reason. If the PA case is being closed for financial ineligibility or for failure to return the quarterly report, a separate MA determination must be done to determine continued MA eligibility for persons who are under the age 21, age 65 or older, pregnant, certified disabled or certified blind. The separate determination must be done by the end of the calendar month following the month of the PA closing.

WMS will automatically extend MA coverage for one month for those PA cases being closed for failure to return a quarterly report (PA closing code 183) when there is an individual under age 21 in the case. If a worker determines in less than one month that the case is not entitled to MA, the worker may close the case day specific after timely and adequate notice has been sent to the client. Children's MA should not be discontinued for the parent's refusal to comply with non-financial requirements; rather, the parent's MA should be discontinued.

VI. WMS IMPLICATIONS

A. Upstate

1. Quarterly Reporting Screen

Upon receipt of a quarterly report, an entry on the main WMS menu will allow access to the new quarterly mailer update screen. Entry of the case number and report returned date will acknowledge local district receipt of the quarterly report. A "Dear WMS Coordinator Letter" was sent to districts on February 17, 1993. This letter describes the detail of new menus and screens to support quarterly reporting.

2. Quarterly Client Contact Codes

The following codes may be used for Screen 01 Data Entry in the PA/FS Quarterly Client Contact Code field (formerly Monthly Reporting Code field). Eligible Case Types are "11 - ADC", "12 - ADC-U", "14 - PG-ADC", "16 - HR", "17 - VA" and "31 - NPA-FS".

- B Quarterly Contact Required/No Calculated ABEL Budget
- C Quarterly Contact Required/Income Deemed from Individuals Living in Household Who Have Earned Income
- E Quarterly Contact Exempt

- I Quarterly Contact Exempt/COOP Case with Earned Income from LRR (Legally Responsible Relative)
- L Quarterly Contact Required/Employed - On Call

PA/FS Quarterly Client Contact Code "B - Quarterly Contact Required/No Calculated ABEL Budget" may not be used if a calculated ABEL budget exists, unless a Bottom Line budget is also present and the Bottom Line budget transaction date is equal to or greater than the calculated ABEL budget transaction date.

Any entry in the PA/FS Quarterly Client Contact Code field is prohibited whenever Special Program Code "B - Research Group CAP" or "C - CAP" is present on Screen 01.

NPA-FS cases with earned income which are exempt from quarterly reporting (i.e. seasonal/migrant, annualized self-employed, and residents of group living arrangements) require entry of code E-Exempt on Screen 01 in order to prevent a quarterly report from being sent.

B. New York City

Systems specifications have been developed to generate quarterly reports for the NYC population meeting the quarterly contact selection criteria. Instructions will be shared with HRA under separate cover.

VII. Additional Information

The 2/93 version of DSS-4310A: "Follow Up To The Quarterly Contact Report" should be available for distribution in April, 1993. NYC/HRA and upstate districts will automatically receive initial supplies of this form.

The Spanish version of this form (DSS-4310A-S) will be available at the same time. Only NYC/HRA will automatically receive supplies of the Spanish version. Other districts must order the Spanish version using the procedure described below.

Future requests for the DSS-4310A and initial requests for the Spanish version DSS-4310A-S, should be submitted on Form WMS-47: (Rev. 9/89): "WMS Order Form" and should be sent to:

New York State Department of Social Services  
Welfare Management System  
P.O. Box 1990  
Albany, New York 12201  
Attention: Office of Systems Development



Date April 12, 1993

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Questions concerning ordering forms should be directed to The Office of System Development (OSD) by calling 1-800-342-3715, extension 6-6223.

VIII. Effective Date

This release is effective April 1, 1993.

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Oscar R. Best, Jr.  
Deputy Commissioner  
Division of Economic Security