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

Transmittal No: 98 LCM-46

Date: December 23, 1998

Office: Office of Budget,
Finance and Data
Management

TO: Local District Commissioners

SUBJECT: "Notice of Claims Settlement" "Claims Against Households
Report" (DSS-3214)

ATTACHMENTS: None

Starting with the January 1999 "Claims Against Households Report" (DSS-3214), any monies due to or from Local Districts will be initiated through the "Notice of Claims Settlement" as a bottom line adjustment. Do not send checks effective with the January 1999 DSS-3214 report.

Since USDA has made accurate reporting of the DSS-3214 a priority, please note the important reminders listed below:

- Timely reporting is essential. The report is due to us by the 25th day following the report month (i.e. January 1999 report is due February 25th). We will accept FAX transmissions to meet the deadline; however, the originally signed report must be sent soon after to the following address:

Attn: Marie Bleadow
Office of Temporary and Disability Assistance
Bureau of Financial Services - Food Stamps
40 North Pearl Street - 14
Albany, New York 12243

The FAX number is (518) 486-6350. Any questions regarding the preparation of the report, call Ms. Bleadow at (518) 474-7567.

- All FTROP collections must be reported in the appropriate month. USDA requires us to verify each district's DSS-3214 report for FTROP collections; therefore, in the "Remarks" section please list all FTROP cycle numbers included on the report.

If a district's cash collections are less than the incentive revenue it is entitled to retain, the district would make the entries that correspond to the following example.

Example 1: When the district filed the DSS-3214 report, the district was entitled to retain \$3,000 as incentive revenue from the collections reported. Out of those collections, only \$1,000 was in the form of cash. The rest were non-cash collections. As a result, the district would receive \$2,000 through the settlement process.

TA 85 Other Funds	\$ 1,000	
TA200 Cash		\$ 1,000
To transfer cash retained as incentives from Trust and Agency accounts to the General Fund.		

A200 Cash	\$ 1,000	
A400 State and Federal, Social Services	\$ 2,000	
A980 Revenues		\$ 3,000
A1811 Incentives	\$ 3,000	
To record the incentive revenue and the receivable of Federal funds to be paid through the settlement process.		

A200 Cash (or A401 MMIS Deposit)	\$ 2,000	
A400 State and Federal, Social Services		\$ 2,000
To record the payment of the Federal Incentive funds through the settlement process. (The transaction above records the bottom line adjustment to pay the district the rest of the incentive it is owed. In a more realistic situation the entries would also be inflated by the amount of the reimbursement claim that was settled by the settlement notice.)		

If a district's cash collections exceeded the amount of incentives it is to retain, the following entries would be made as illustrated in the next example.

Example 2: The district cash collections exceeded the incentive revenue that they were entitled to retain. The cash collections in excess of the district's incentive amount are due to USDA or the State (as the

State's share of the incentive) or both. The incentive amount the local district can retain is \$3,000. The cash collections were \$13,000, so \$10,000 has to be taken by the State through the settlement process to pay the State and/or USDA their shares. In this example, this is accomplished when the State settles a reimbursement claim of \$500,000 by paying the local district only \$490,000.

TA85 Other Funds	\$ 3,000	
TA Cash		\$ 3,000
TA200 Cash	\$ 13,000	
A980 Revenues		\$ 3,000
A1811 Incentives	\$ 3,000	
A631 Due To Other Governments		\$ 10,000

To transfer the incentive revenue to the General Fund, and record the liability for the cash collections owed to the federal and state governments.

A200 Cash (or A401MMIS Deposit)	\$490,000	
A631 Due To Other Governments	\$ 10,000	
A400 State and Federal, Social Services		\$500,000

To record settlement of claims and liquidation of the liability to the federal and state governments for their shares of Food Stamp claims collections.

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

Thaddeus S. Ziemba
Director
Bureau of Financial Services