Update 2002-7: Common Place Handbook Update 2002-07
Direct Deposit Clarifications

Background
Staff Development provided Direct Deposit training in December 2001. During the training session, staff generated several questions that the Common Place Handbook Update #01-12, “Direct Deposit,” did not address.

Changes

Questions & Answers
This update provides clarification to questions asked in training. Section 30, “Direct Deposit,” of the Common Place Handbook is revised to incorporate these clarifications.

CDS Reports
The distribution for several CDS Reports changed. The new distribution is incorporated into this Update.

SC 1949 Revised
The “Direct Deposit Foster Care Communication Special Notice to Warrant Control” (SC 1949) is revised and renamed. The form was originally developed for Foster Care only, but may also be used for other programs. The form is renamed “Request to Add Additional Cases to an Existing Direct Deposit Account.”

Clarifications
The following are clarifications to the questions asked during the Direct Deposit training sessions:

Account Information
Q: Does the payee’s name have to be on the bank account in order to initiate Direct Deposit?
**A:** Yes. The payee’s name must be on the bank account in order to initiate Direct Deposit.

**Q:** Once a Direct Deposit is transmitted, it cannot be held or cancelled. If a client does NOT want to be considered to have received cash aid for purposes of Time on Aid (TOA), can clients return money to the County that has been transmitted to their bank account?

**A:** Yes. If a client would like to return money received as a Direct Deposit, the money may be returned following the procedures in Section 59.3 of the Common Place Handbook. Once the grant amount is paid back in full, that particular payment month would not count towards Time on Aid (TOA).

**Q:** If the [BDC1] screen shows that a transmittal occurred and the client states the money was not deposited into his/her bank account, who has the responsibility to correct the problem (i.e., Warrant Control, the EW, or the client)?

**A:** Section 30.12.2 states if all the information appears to be correct, and our records indicate the warrant was deposited, the client must notify the bank institution that there appears to be a problem with the account and Direct Deposit is not being accepted. This however, does NOT minimize the responsibility of our agency to assist the client in correcting the problem. It is very likely that all parties may need to get involved (i.e., EW, Warrant Control and the client) and take whatever measures are necessary to assist the client in resolving the problem.

**EDP**

**Q:** Will all Eligibility Workers (EWs) have inquiry access to [BANK] screens?

**A:** Yes. All EWs will have inquiry access to [BANK] screens.

**Q:** Will the pre-note reject display on the [NACHA RETURN CODE] field, or just appear on the “Direct Deposit Bank Exceptions” CDS 391 report?

**A:** The pre-note reject code will appear on both the [NACHA RETURN CODE] field, and on the CDS 391 Report.

**Q:** Will an LMO be printed every time there is a change in the [BDTC] field?

**A:** No. An LMO will NOT be printed every time there is a change in the [BDTC] field.
Q: When there is a Direct Deposit return, does the “D” in the [BDTC] field get deleted automatically?

A: Yes. The “D” in the [BDTC] field is deleted automatically when there is a Direct Deposit return.

Q: If an “X” is not placed in the [CLOSE] field, will the Direct Deposit account be de-activated after a certain amount of time? If not, does this hold true even if the case is changed to a non-cash Aid-Type (i.e., Food Stamps, Transitional Medi-Cal Care (TMC), etc.)?

A: Direct Deposit will remain active until the “D” in the [BDTC] field is pounded out (#), or an “X” is placed in the [CLOSE] field. Direct Deposit does NOT de-activate until one of these two actions occurs. If the aid-type is changed to a non-cash aid-type, Direct Deposit will remain active, however no cash deposit can be made on a non-cash aid-type.

Q: What is the effect of BIC 999 on Direct Deposit? Can it suppress transmittals from occurring, hence eliminating the need to pound out (#) Direct Deposit when immediate needs are done?

A: BIC 999 will stop a payment from being generated, whether it be by Direct Deposit or a paper warrant. However, the system does not have the capability to generate a paper warrant on an FBU that has Direct Deposit in an “active” status, with the exception of a one-time payee.

Forms

Q: On what fastener of the case folder are the “Direct Deposit Communication Special Notice to Warrant Control” (SC 1947), “Direct Deposit Enrollment Form” (SC 1948), and “Request to Add Additional Cases to an Existing Direct Deposit Account” (SC 1949) forms to be filed?

A: All Direct Deposit forms must be filed on the top of fastener 2.

Q: When a client has a checking account, does a voided check always have to be submitted with a “Direct Deposit Enrollment Form” (SC 1948)?

A: There is only one exception when a voided check does not have to be submitted with an SC 1948 for a Direct Deposit request on a checking account. When an existing payee becomes a payee on a new case and has gone through the Pre-Note process, a voided check is not needed again, provided the bank account is the same.
Q: Would a “Request to Add Additional Cases to an Existing Direct Deposit Account” (SC 1949) meet the requirement to add Direct Deposit to a new case for an existing payee who already has Direct Deposit?

A: Yes. The SC 1949 would suffice. Section 30.12.5 erroneously listed the “Direct Deposit Enrollment Form” (SC 1948) instead of the SC 1949. However, there MUST be an SC 1948 on file, and the client MUST already be in receipt of Direct Deposit, prior to submitting the SC 1949.

Q: Notices of Action (NOAs) generated through Case Data Systems (CDS) are only available in English and Spanish. Will Direct Deposit NOAs be available in other languages?

A: Yes. Direct Deposit NOAs will be available in other languages. They will be released to staff on a flow basis, as they are received from the State.

Q: Can a deposit slip be submitted with the SC 1948 for checking accounts instead of a voided check?

A: No. A deposit slip would not suffice. A voided check must be used to verify there is an existing account.

Q: Can Section 2 of the SC 1948 be completed by the client, or does it have to be completed by a bank representative?

A: The bank representative must complete Section 2 of the SC 1948.

Q: The “Direct Deposit Communication Special Notice to Warrant Control” (SC 1947) has a line for the Supervisor’s signature. Would there be an instance when the Supervisor did not have to sign the form?

A: No. The Supervisor must always sign the SC 1947 to monitor Direct Deposit holds and cancellations.

Q: Section 30.4.9 indicates that the report “Direct Deposit Bank Records Deleted” (CDS 978) is distributed to the EW, SSPM and Fiscal. Will the EW Supervisor receive a copy?

A: The distribution of the CDS 978 has been changed. The report will now be distributed to Fiscal only. If a problem occurs, Fiscal will contact the EW and/or the EW Supervisor directly.
Q: The SC 1949 refers to an ALPHA mult. Do we use alpha mults for Foster Care?

A: The SC 1949 is incorrect. For Foster Care, only the 0-mult is used. The SC 1949 is being revised to reflect this correction.

Holds

Q: Are staff limited to placing “holds” on a Direct Deposit ONLY on the day after Fiscal Month End (FME)?

A: Yes. A Direct Deposit can only be held during the “open window,” which is the day after FME.

Q: Direct Deposit must be in a “hold” status prior to cancellation. Is the “cancellation” status limited to the “open window” period on the day after FME also?

A: No. Once the Direct Deposit is held, it can be canceled up until Calendar Month End. Section 30.11 erroneously stated otherwise, and is being corrected.

Q: When a Direct Deposit is cancelled, does the [HLDD] screen display a “C” or “CANC” in the [STATUS] field?

A: When a Direct Deposit is cancelled, “CANC” will display in the [STATUS] field.

Q: Will the [HLDD] screen display a running status of ALL Direct Deposits that have occurred in the case, or only the deposits that are held or cancelled?

A: All the Direct Deposit activity will be displayed on the [HLDD] screen, including deposits made.

Procedures

Q: What are the informing requirements for Direct Deposit?

A: Direct Deposit must be explained and offered to all cash aid applicants/recipient at intake, RV, and when a change in payee occurs.

Q: Will a Direct Deposit be made to an account where the grant is less than $10?
A: No. A Direct Deposit will not be made when a cash grant is less than $10.

Q: For Foster Care, how do we pay previous payees on an existing Direct Deposit account? Do we have to discontinue Direct Deposit to issue a paper warrant to the previous payee, then initiate a new Direct Deposit with an SC 1948 for the new payee?

A: The system has been designed to issue a paper warrant for these instances. Payments made on a case with active Direct Deposit to a previous payee via the one-time-payee method, will be issued via a paper warrant.

Q: In Foster Care there are many instances where payments must be held immediately. With Direct Deposit, can a payment be held immediately?

A: There is only one instance where payments can be held. A Direct Deposit may be held ONLY during the “window” period from Fiscal Month End (at the time that the fiscal process is run), until the payment is electronically transmitted to the bank. Direct Deposit payments issued from the daily run and Calendar Month End processes may NOT be held, because they are transmitted immediately to the disbursing bank.

Implementation
These changes are effective immediately upon receipt of this Update.

Data Systems
The distribution of the following CDS reports has changed:

<table>
<thead>
<tr>
<th>CDS REPORT NUMBER</th>
<th>CDS REPORT NAME</th>
<th>NEW DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDS 378</td>
<td>“Case Number Listing of On-Line Changes to Direct Deposit”</td>
<td>Fiscal and Information Systems</td>
</tr>
<tr>
<td>CDS 379</td>
<td>“Initiating Worker Listing of On-Line Changes to Direct Deposit”</td>
<td>Information Systems only</td>
</tr>
<tr>
<td>CDS 391</td>
<td>“Direct Deposit Exceptions”</td>
<td>Fiscal and the Agency</td>
</tr>
<tr>
<td>CDS 571</td>
<td>“Fiscal Bank File Reports”</td>
<td>Fiscal and the Agency</td>
</tr>
<tr>
<td>CDS 978</td>
<td>“Direct Deposit Bank Records Deleted”</td>
<td>Fiscal only</td>
</tr>
</tbody>
</table>

Forms
The “Direct Deposit Foster Care Communication Special Notice to Warrant Control” (SC 1949) [Revision 10/01] is revised and renamed as follows:

- “Request to Add Additional Cases to an Existing Direct Deposit Account” (SC 1949) [Revision 01/02].
A copy is attached to this Update for reference purposes.

**“Foster Care Advise NOA” CDS 959**

Foster Care parents/payees receive only one “Foster Care Advise NOA” (CDS 959), which lists all the deposits made into their account with the case name and number of each case for which they are paid. Worker numbers are not listed on the Advise NOA.

Since only one CDS 959 is produced, in the event the U.S. Postal Service returns the CDS 959 to the Agency the following must occur:

<table>
<thead>
<tr>
<th>WHO</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Postal Service</td>
<td>• Returns CDS 959 to the Social Services Agency. (Could be returned for various reasons).</td>
</tr>
<tr>
<td>Foster Care Clerical Staff</td>
<td>• Receives CDS 959. &lt;br&gt; • IDs case number(s) listed on CDS 959. &lt;br&gt; • Makes copies (if necessary) of the CDS 959 and forwards a copy of the CDS 959 to the Eligibility Worker(s), as appropriate.</td>
</tr>
<tr>
<td>Eligibility Worker</td>
<td>• Receives a copy of the CDS 959. &lt;br&gt; • Reviews the case and contacts the client to clear the discrepancy of returned mail.</td>
</tr>
</tbody>
</table>

**Clerical**

See “Forms.” The new revision of the SC 1949 will be distributed in February. Office Management Coordinators (OMCs) must ensure old revisions are recycled per District Office Policy.

Procedures are established for Foster Care when the CDS 959 is returned. OMCs must also ensure this procedure is followed.

**Kudos**

Many thanks to Staff Development Specialist, Gerardo Silva, for conducting the training, and to staff for providing the questions.

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