Update 2004-7: Common Place Handbook
Quarterly Reporting/Prospective Budgeting Update #2

Background
This Update contains information regarding new terminology, required forms, notices of action (NOAs) and the conversion process relating to the new Quarterly Reporting/Prospective Budgeting (QR/PB) system.

Changes
The following changes are effective May 1, 2004:

Definitions
DID you know...
There is a whole new language that goes with QR/PB?

<table>
<thead>
<tr>
<th>QR 7</th>
<th>The Quarterly Eligibility/Status Report which replaces the CW 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>QR Data Month (Report Mo.)</td>
<td>The month for which the recipient reports all information necessary to determine eligibility. The QR Data Month is the second month of each quarter.</td>
</tr>
<tr>
<td>QR Submit Month</td>
<td>The month in which the QR 7 is required to be submitted to the EW. The QR Submit Month is the third month of each quarter.</td>
</tr>
<tr>
<td>QR Payment Quarter</td>
<td>The future quarter in which benefits are paid/issued. The QR payment quarter begins the first day immediately following the QR Submit Month.</td>
</tr>
<tr>
<td>Prospective Budgeting</td>
<td>Budgeting method that uses reasonably anticipated income for the determination of benefits for an AU/household.</td>
</tr>
</tbody>
</table>
| Reasonably Anticipated Income | Income is considered “reasonably anticipated” when:  
• The income has been or will be approved or authorized as of a date within the upcoming QR Payment Quarter, or the household is otherwise reasonably certain that the income will be received within the quarter, and  
• The amount of income is known. |
| Stable Income | Income that is expected to remain at the same level and frequency throughout the QR Payment Quarter. |
| Fluctuating Income | Income is considered to be fluctuating when the amount is different for each month of the quarter. This includes when the AU/household has income for one or more months of the quarter and zero income for the remaining months of the quarter due to income starting or stopping. It also includes continuing income that changes month to month. |
| Income Averaging | Method used to average “Stable” or “Fluctuating” income over a payment quarter. This method allows the benefits to remain the same throughout the quarter. |
| “Frozen” benefits | Benefits will be “frozen” (remain the same) for the three months of the quarter, except under specified circumstances.  
Benefits may be adjusted during the quarter under the following circumstances:  
- When a voluntary change reported on a mid-quarter report results in increased benefits,  
- When a mandatory change reported on a mid-quarter report results in a decrease or discontinuance of benefits,  
- When an individual or household requests discontinuance, or  
- When a county-initiated action results in decreased benefits. |
| Mandatory Recipient Mid-Quarter Reports | Recipients are required to report specific changes to the county within 10 calendar days of the date the change becomes known to the household. Recipients may report these mid-quarter changes verbally, including in person or by telephone, or in writing. The EW MUST document on the (SC 163 MQR or SC 163) the information for follow up on the next QR 7. Example: Last RD completed 6/8/04 (submit month). The EW must manually enter 06/05 in the [RV/DUE] field on the [ELIG] screen. This will provide 12-month approval (7/04-6/05). |
| Voluntary Recipient Mid-Quarter Reports | Reports that recipients may make to the county during mid-quarter: - Changes in property, - Deprivation, - AU/HH composition, - Shelter cost and Utilities, - Medical, child care and child support expenses, - Requests for special needs, etc. |
| Income Reporting Threshold (IRT) | The IRT is the greater of 130% of the Federal Poverty Level (FPL) or the level at which an AU becomes financially ineligible; income exceeds (MAP). When income in excess of the IRT is reported, the EW must determine that it will continue at that level. If so, discontinue CalWORKs at the end of the month with a 10-day NOA and determine Food Stamp income eligibility. This is a mandatory mid-quarter reporting requirement for CalWORKs cases only. |

**RD/RC Realignment**

As a requirement of QR/PB, the Redetermination (RD)/Recertification (RC) must be completed in the SUBMIT month. In order to fulfill this requirement, the RD/RC must be aligned and set for only 12 months from the last RD/RC month.

**Example:** Last RD completed 6/8/04 (submit month). The EW must manually enter 06/05 in the [RV/DUE] field on the [ELIG] screen. This will provide 12-month approval (7/04-6/05).
Report Cycle
There will be 3 Report Cycles, Cycle 1, 2, and 3. Each case is assigned a cycle based on QR/PB rules. In most cases, the cycle is determined based on the RC date.

Implementation
The programming for the QR/PB conversion process will be run the weekend of April 24, 2004 for CalWORKS/RCA/FS and GA/FS combo cases subject to quarterly reporting (QR). See “Data Systems” for additional information regarding the QR/PB conversion process.

Immediately AFTER the conversion process is run, intake and continuing EWs MUST take the following action:

Intake
Beginning May 1, 2004, EWs are to use the Quarterly Reporting/Prospective Budgeting rules to set up Food Stamp/CalWORKs/RCA benefits. Review the CalWORKs/FS combo cases to ensure the RD/RC due dates are aligned and the correct RPT CYCLE is assigned. If not, manual entries are required on the [ELIG] screen to align RD/RC and/or correct the RPT CYCLE.

For General Assistance cases the RPT CYCLE will be assigned according to QR/PB rules. However the EWs will have to manually align RD/RC dates.

Continuing
While processing QR 7s, review RD/RC due dates to make sure combo cases were aligned and assigned the correct RPT CYCLE. If not, make manual entries on the [ELIG] screen to align RD/RC and/or to align the RPT CYCLE with the RC. If there is no RC date, the system will use the RD date.

Reminder:
Food Stamp RC period can NOT be shortened.

Documentation
DOCUMENTATION is ESSENTIAL under Quarterly Reporting/Prospective Budgeting (QR/PB).

Under QR/PB, EWs must document the estimate of reasonably anticipated income and expenses for the initial quarter on the SC 163. The EWs must ensure that the case narrative entries provide sufficient information for a case reviewer (fraud investigator, QC, IEVS, etc.) to be able to understand how the EW determined eligibility and benefit levels for that time period.

In addition, ongoing documentation for QR/PB is required, but is not limited to, the following information:

• How reasonably anticipated income was determined such as: Income the recipient states he/she expects to receive in future months,

• Whether anticipated income will be different from the income that the recipient reported receiving for the QR Data Month.
• Documentation of the reasons for NOT accepting the recipients estimate if the worker questions the estimate,

• Other information used to determine what income will be used in the benefit calculations (i.e., verifications, employer’s statements, case history, etc.) if the recipient’s estimate is NOT used.

• Why income was considered ‘Stable’ or ‘Fluctuating’, and

• What action was taken on a Voluntary Mid-Quarter Recipient report (QR 3).

Reminder:
The information on the QR 7, QR 3, scratch budget, SC 163 MQR, and the Notice of Action is documentation.

Data Systems
As of May 2004, CDS will convert from generating monthly income reports to quarterly income reports. There will be 3 cycles for QR/PB set by the RC date at the time of conversion. The cycles are entered by the system. The alignment of the Redetermination (RD) and Recertification (RC) months is a one-time only QR conversion process.

Reporting Cycle/ One-Time Conversion Process

The programming for the QR/PB conversion process will be run the weekend of April 24, 2004 for CalWORKs/RCA/FS, and GA/FS combo cases subject to quarterly reporting (QR). Continuing cases will have the QR reporting cycle determined by Case Data System (CDS) using the Food Stamp Recertification (RC) Date. This applies to both Public Assistance and Non-Assistance Food Stamp households.

For Intake cases, the quarterly (QR) cycle is automatically determined by the date of approval for all new cases subject to QR. The QR reporting cycle is aligned when benefits are approved in different months as follows:

<table>
<thead>
<tr>
<th>If the...</th>
<th>Then the...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Stamp recipient applies for CalWORKs/General Assistance,</td>
<td>FS cycle already established is retained.</td>
</tr>
<tr>
<td>CalWORKs/General Assistance recipient applies for FS,</td>
<td>CalWORKs/General Assistance cycle already established is retained.</td>
</tr>
</tbody>
</table>

For households being restored, the QR reporting cycle is determined as follows

<table>
<thead>
<tr>
<th>If it is...</th>
<th>Then...</th>
</tr>
</thead>
<tbody>
<tr>
<td>An erroneous discontinuance,</td>
<td>The cycle previously established is retained.</td>
</tr>
<tr>
<td>A restoration (break-in-aid of one day or more),</td>
<td>A new cycle is established using the approval date</td>
</tr>
</tbody>
</table>
After conversion (4/24/04), the EW must align the RD/RC manually until CDS is enhanced.

**Example:**
RD completed on 5/09/04 in the submit month. For continuing cases, the EW must enter the [Last R/V Date] and the next [R/V Due] date at the same time. In this example the EW would enter [05/09/04] in the [Last R/V Date] field and [05/05 A] in the [R/V Due] field. This will shorten the RD to 12 months and align the RD/RC.

### CDS Process & Screen Changes

During the conversion process, the following screens in the Case Data System (CDS) are modified/added:

<table>
<thead>
<tr>
<th>Field</th>
<th>Screen</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>[RPT CYCLE]</td>
<td>[ELIG]</td>
<td>A new [RPT CYCLE] field has been added to the [ELIG] screen. It is located on the same line as the Expedited Service fields. This field displays the reporting cycle assigned to the case. This field can be updated to override the computer assigned cycle if necessary.</td>
</tr>
</tbody>
</table>
| [QR7 REQ]     | [ELIG] | The [CA7 REQ] field is being renamed to [QR7 REQ]. The following is the only valid QR7 Request Code:  
  - Q = Print Quarterly Eligibility/Status Report for current quarter, according to the case’s reporting cycle  
  - Note: Spanish quarterly reports will be generated if code “S” is present in the Primary Language field. |
| [RPT CYCLE]   | [WCAS] | A new [RPT CYCLE] field has been added to the [WCAS] screen. It is located below the [REINV DUE] field and indicates which QR cycle the client is in: 1, 2, or 3. This is a display field only. |
| [IRT]         | [BDGT] | A new [IRT] field has been added to the [BDGT] screen. It is located below [Screen Select] and will display the Income Reporting Threshold [IRT] for the MAP size of the AU. This field auto populates on all CalWORKs cases. |

### 278F Document

The Report Cycle (RPT CYCLE) assigned to the case and the Income Reporting Threshold (IRT) amount will be shown on the 278F for quick reference by staff. This is a display only field. It is located below Future, First-of-Month Warrant, in the far right hand column of the 278F.
CDS Report

The “Continuing Income Report-Mid Month Report” will be renamed to “Continuing Quarterly Report-Mid Month Report”. References to CA 7 will be changed to QR 7. The automatic “X” process has been modified to ONLY place a case into an “X” suspense/hold if a QR 7 is due that month (based on the cycle date) and has not been logged in as of the run date.

The “X” or “Y” NOA can ONLY be generated in the Submit month.

Forms

CalWORKS/RCA and Food Stamps will begin using the new State QR/PB forms. They are as follows:

• “New Reporting Requirements for CalWORKs and Food Stamp Recipients” (TEMP QR 1).

• “Reporting Changes for Your Cash Aid Assistance Unit and Food Stamp Household” (QR 2).

• “Mid-Quarter Status Report” (QR 3).

• “Instructions and Penalties Quarterly Eligibility/Status Report” (QR 7 Addendum).

General Assistance will begin using the new (TEMP QR 1), (QR 7), (QR 7A) and (QR 7 Addendum).

Mass Mailing

On May 1, 2004 a mass mailing will be sent to CalWORKs recipients informing them of their Income Reporting Threshold (IRT) amount.

Brochure

A tri-folded quarterly reporting brochure explaining the QR changes, “How and When You Report for Cash Aid and Food Stamps” is available for EWs to give to applicants and recipients when explaining QR requirements. A copy is attached to the Update for informational purposes.

A supply of this form will be sent to District Office when they are ready.

NEW QR/PB No Change (NOA)

The following is a new Notice of Action to be released with the implementation of QR/PB.

A “No Change Notice of Action” (NOA) must be issued whenever there is no action taken upon receipt of a voluntary or mandatory report of a mid-quarter change that would result in the following:

• Decrease in benefits,
• No change in benefits, or
• Discontinuance.
The Food Stamp “No Change Notice of Action” is generated by entering “6NC” in the [NOA] field located on most screens. The CalWORKs “No Change Notice of Action” may be automatically generated when using the CalWORKs scratch budget.

The “No Change NOA” also includes language that reminds the recipient to report this information on the next QR 7 submitted.

Mid-Quarter Report Summary (SC163 MQR)

The information received mid-quarter must be reported on the next QR 7 due. If it is not reported on the appropriate QR 7, the case must be Y’d. However, the case should not be Y’d if the EW took action to increase benefits when the change was reported.

The “Mid Quarter Report Summary” (SC 163 MQR):

• Is REQUIRED whether mid-quarter changes are reported by the client, a 3rd party, or the county, i.e., WTW, DFCS.

• Is optional when the recipient reports on the QR 3.

• Does NOT take the place of the Contact-Action Summary (SC 163). Documentation on the (SC 163 MQR) must include the date the client reported the change and the date the change occurred.

• Documents mid-quarter changes. It is to be used as a documentation tool when action is taken or an action is pending the receipt of next QR 7.

• Will be temporarily filed on fastener 3 (top) until the corresponding quarter’s QR 7 is received. When the QR 7 is received and processed, file the SC 163 MQR with it on fastener 4 (bottom).

Note: For CalWORKs, changes reported by WTW and DFCS are considered a voluntary Mid-Quarter report.

A copy of this form will be sent to District Office when they are ready.

Other Programs

QR/PB system applies to the CalWORKs, RCA and Food Stamp programs.

EW Supervisors

EW supervisors must review this material at their next unit meeting, but no later than May 14th.
The CW 7 Application screen will be renamed QR 7 Applications. The CW 7 is now obsolete. Please remove (CW 7) forms from desk and office supply. See “Brochure”, “Forms”, and “Conversion” above.

OMCs shall ensure that the QR Brochure is available in the office lobby.

KATHERINE BUCKOVETZ, DIRECTOR
Department of Employment and Benefit Services

Contact Person(s): Dorothy Flores, Common Place Coordinator, (408) 491-6700.