

-Revised 02/28/12-

Operations Memorandum - Employment & Training OPS110602

July 1, 2011

SUBJECT: Changes to the Amount and Frequency of Special Allowances for Supportive Services (SPALs)
TO: Executive Directors
FROM: Lourdes Padilla , Acting Director, Bureau of Operations

Purpose

To inform CAOs that DPW has published a regulation related to SPALs in the [Pennsylvania Bulletin](#). The regulation is being implemented July 1, 2011.

Background

DPW offers SPALs to individuals who receive TANF, GA and SNAP benefits and who are participating in an approved work or work-related activities. DPW previously implemented sub-regulatory documents such as operations memorandums and policy clarifications which strengthened and clarified SPAL policy and procedures. This regulation provides binding norms to increase enforceability of the current policy that laid the foundation for this regulation.

Discussion

DPW will continue to offer SPALs to individuals participating in a CAO approved work or work-related activity. DPW will authorize SPALs for the least costly item or service which is available and practical considering the location and hours of scheduled employment or training; the location of the participant's residence in relation to the provider of the item or service and child-care if utilized.

The regulation creates significant changes to the special allowance program. This memorandum discusses each change and additional guidance for authorizing SPALs is included in this document. The policy and procedures which were introduced in OPS090801 and are incorporated in the Cash Assistance Handbook (CAH) Chapter 135 and SNAP Handbook Chapter 535 are still in effect.

Summary of Changes

- Annual and Lifetime Limits
- Removal of several types of SPALs
- Elimination of certain types of SPALs for SNAP-only recipients
- Mileage reimbursement reduced to \$0.20 per mile

- Elimination of contractor issued SPALs
- Addition of Motor Vehicle Insurance as a CAO SPAL
- 6 Categories of SPALs with sub-categories and reason codes changes
- **Annual and Lifetime Limits:**

To enhance program integrity and effectiveness and to help ensure that SPALs are available to the greatest number of participants with a verified need, DPW is implementing annual and lifetime limits for SPALs. DPW is using the state fiscal year to track annual limits. The state fiscal year runs from July 1 through June 30 each year.

Additionally, DPW has developed six categories which include sub-categories of SPALs ([Attachment -1; Desk Guide](#)). Although an individual may be eligible for up to the maximum amount and frequency for each category of SPAL, the CAO still must authorize the least costly, most practical SPAL which supports the individual's participation in an approved work or work-related activity. The determination must be clearly narrated. The review of eligibility for SPALs is based on currently implemented policy in CAH 135, SNAP Handbook Chapter 535 and OPS 090801.

NOTE: Good Cause may be granted for transportation related issues that affect participation as a result of exhausting the annual SPAL limit related to public and private transportation. The CAO needs to determine if other transportation were explored and exhausted prior to offering good cause. CAO's should discuss with the client and work together to identify and resolve transportation barriers when the E&T plan is initially developed, to limit use of this good cause. Good Cause in this situation is limited to six months. An individual cannot be sanctioned due to non-compliance related to lack of transportation.

➤ **Removal of Certain Types of SPALs:**

Several types of SPALs have been removed for both Cash Assistance and SNAP recipients. These include:

- (a) GA child care,
- (b) Incapacitated care,
- (c) Air and long distance rail, and
- (d) Lodging and food

➤ **Elimination of certain SPALs for SNAP-Only recipients:**

Due to additional Federal Guidance from FNS, certain types of SPALs may not be issued to SNAP only recipients. These include:

- (a) Operator Fees

- (b) Vehicle Purchase
- (c) Vehicle Insurance
- (d) Personal Computers
- (e) Moving/Relocation Costs and
- (f) Union/Professional Fees

NOTE: These SNAP SPALs were removed effective 05/23/2011.

➤ **Mileage Reimbursement has been reduced from \$0.25 per mile to \$0.20 per mile;**

➤ **SPALs issued by the Employment and Training Contractors will be eliminated;**

Please refer to the Master Guidelines for additional information related to contractor issued Personal Training Accounts (PTAs).

➤ **Motor Vehicle Insurance:**

Although the regulation includes motor vehicle insurance (RC 263/863) as a type of SPAL, contractors may be able to issue funds through a participant's Personal Training Account. When the individual participates with a contractor, auto insurance may be available, therefore the need for this item is available from another source, and at no cost to the individual, and should be denied by the CAO. Individuals not at a contracted program can request vehicle insurance from the CAO up to the limit of \$1,500 in a lifetime. Vehicle insurance may be provided only to individuals who use their own vehicles, and when the private vehicle is the least costly most practical option for transportation.

➤ **6 Categories; Sub-Categories and reason Code Changes**

SPAL Category Chart

Types of Allowances	Subcategory	Reason Codes TANF, GA, SNAP	Reason Codes WORKING TANF	TANF Frequency	SNAP Frequency	Maximum Allowance
Public Transportation	Bus	268	868	As required for job interviews, work or work-related activities	As required for job interviews, or work-related activities	\$1,500 annually
	Subway	269	869			
	Commuter Rail	271	871			
	Taxi	272	872			
	Paratransit	273	873			

Types of Allowances	Subcategory	Reason Codes TANF, GA, SNAP	Reason Codes WORKING TANF	TANF Frequency	SNAP Frequency	Maximum Allowance
Private Transportation	Mileage	250	850	As required for job interviews, work or work-related activities or for employment may be authorized for the period up to the date of the first pay. Reimbursed at \$0.20 per mile	As required for job interviews or work-related activities or for employment may be authorized for the period up to the start date.	\$1,500 Annually
	Car/Van Pool	267	867	As required for job interviews, work or work-related activities or for employment may be authorized for the period up to the date of the first pay	As required for job interviews or work-related activities or for employment may be authorized for the period up to the start date.	
	Motor Vehicle Repair	262	862	As required for work or work-related activities	As required for work-related activities or if required to accept employment	
	Motor Vehicle Expenses ✓ driver's license ✓ state inspection fee ✓ emission control inspection fee ✓ license plates ✓ vehicle registration fee	260	860	As required for work or work-related activities	NOT ALLOWABLE	
	Moving/Relocation	244	844	Issued to accept a verified offer of gainful, permanent employment.	NOT ALLOWABLE	

Types of Allowances	Subcategory	Reason Codes TANF, GA, SNAP	Reason Codes WORKING TANF	TANF Frequency	SNAP Frequency	Maximum Allowance
				Maximum \$200.00 annually		
Clothing	Clothing for Employment/ Training	256	856	As required for work or work-related activities	As required for work-related activities or if required to accept employment	\$150 Annually
Vehicle Purchase	Vehicle Purchase	261	861	As required for work or work-related activities	NOT ALLOWABLE	One vehicle up to \$1,500 in a lifetime
Vehicle Insurance	Vehicle Insurance	63	863	As required for work or work-related activities	NOT ALLOWABLE	\$1,500 in a lifetime
Work, Education and Training	Tools/Equipment	257	857	As required for work or work-related activities	As required for work-related activities or if required to accept employment. (PERSONAL COMPUTERS ARE NOT ALLOWABLE).	\$2,000 in a lifetime
	Books/Supplies	278	878	As required for work or work-related activities	As required for work-related activities or if required to accept employment	
	Fees	264	864	As required for work or work-related activities	As required for work-related activities or if required to accept employment	
	Union Dues/ Professional Fees	258	858	May be authorized for the period up to date of first pay	NOT ALLOWABLE	

EXAMPLE A: Sally rides on the bus to attend a community service site. The CAO has confirmed her attendance and issues a monthly bus pass. Sally may use up to \$1,500 from July 1 through June 30 in combination with other types of SPALs under the category of public transportation-related SPALS.

EXAMPLE B: Bob requests an auto repair to participate in vocational education at a local school. The estimate is for \$900. The CAO may authorize this SPAL. After repairing his car Bob only has \$600 to use for private transportation, operator fees or additional repairs for the remainder of the fiscal year.

EXAMPLE C: John requests a SPAL for tools and equipment in the amount of \$2,000. He received an offer of employment in the field of construction. Upon review of the estimate, and the SPAL Verification Form it is determined that not all of the items requested with the estimate are required for the employment. The CAO may only issue a SPAL for the items required for the employment. John may not receive \$2,000 worth of items just because the maximum amount is \$2,000.

Verification:

Before authorizing a SPAL, the CAO will determine if the SPAL is required to enable the client to participate in an approved work or work-related activity. If collateral contacts are used to determine if the SPAL is required, the information must be documented in the case narrative. The SPAL Verification Form (PA 1883) will continue to be used to verify that the SPAL is required for participation in a work or work-related activity.

In addition the CAO may require that the individual or provider of the service or item, or both, verify that the individual received the approved SPAL and that the provider received payment for the amount the individual was eligible to receive. The intent of this policy is to obtain necessary verification when unreliable or inadequate verification is provided. The need to provide verification from both the individual and provider arises in the unusual circumstance where there is a reason to question the validity of verification provided by only one of these sources. Verification from both the provider and individual is not expected to be routinely requested. The purpose of this provision is to prevent fraud.

- **Example A:** The CAO suspects or receives a tip that a car dealer or repair shop has engaged in deceptive business practices, the CAO might seek verification that the individual actually received exactly the specific car or repair for which the SPAL was issued. An OIG referral may be appropriate.
- **Example B:** When the CAO receives incomplete, ambiguous, or otherwise inadequate documentation, the CAO might ask the provider to supplement the individual's information.

Overpayments:

An overpayment exists when an individual receives Assistance for which he/she is ineligible. Assistance includes SPAL's issued under TANF, GA and SNAP. The CAO is responsible for defining a specific reporting plan with the individual related to SPALs. This is done by recording the requirement to verify the expenditure of the SPAL by providing a receipt within 14 days. This requirement is listed on both the AMR for TANF and the EDP for SNAP.

In an effort to further monitor and control SPAL expenditures, improve efficiency, contain costs, improve oversight and promote program integrity related to SPALs, the following methodology will be applied when completing SPAL overpayments: The CAO will process an overpayment referral to recover a SPAL to the extent of the misuse. Overpayments will be calculated based

on a prorated period of participation to reflect the time the client actually complied with the activity; based on a ~~daily~~, weekly **or** monthly proration.

A calculator to assist the CAO is on the OIM web page under CAO resources ([Attachment 2](#)).

- **Example A:** When an individual receives books to attend vocational education then stops attending half-way through the semester because she lost interest in the program, the CAO may process an overpayment for 50% of the cost of the books.
- **Example B:** An individual receives a monthly bus pass to attend a training program, but drops out after one week, thereby, not fulfilling the requirement of the AMR. The CAO may process an overpayment for the cost of the unused portion of the bus pass.
- **Example C:** An individual stops attending school due to illness, hospitalization, homelessness or similar circumstance which meets good cause or exemption criteria, the CAO would not process an overpayment.

Other circumstances for which a referral may be appropriate include the following:

- a) The individual was ineligible for cash assistance or SNAP-only benefits in the month DPW issued a special allowance for supportive services.
- b) The individual did not use the special allowance for supportive services for its intended purpose.
- c) The actual cost of the supportive service was less than the estimated cost of the service. Difference must be \$10 or more.
- d) The individual provided falsified or erroneous documentation to obtain a special allowance for supportive services.
- e) The individual received a special allowance for supportive services for a known activity, the activity ended, and the need no longer existed.
- f) The participant or provider of supportive services, or both, did not provide verification, such as a receipt, that some or all of the supportive services requested were obtained using the special allowance payment within the 14 day timeframe. OR
- g) The participant did not participate in or comply with RESET, including meeting hourly and other work and work-related requirements as specified on the AMR or EDP.

The CAO will continue to process the O/P using the OIG 189. The CAO will need to input the manually calculated portion of an overpayment into ARRC.

Notices:

Due to changes associated with annual and lifetime limits, the current text on the SPAL notices is amended. The notices are attached to the Memorandum ([Attachment 3](#)). These SPAL notices will also be included in CIS as automated notices.

Summary of Notice changes:

The current eligibility notices are amended to include:

1. Ineligible for a SPAL since the maximum amount of the SPAL has been issued.
2. Eligible to receive only a partial amount of the SPAL requested. This notice is sent when the amount of the SPAL request exceeds the annual or lifetime limit.

Other Eligibility Notices are being enhanced to include an automatic calculation of where the individual is in relation to reaching the limits for each category of allowance. Until Automated Notices are available the CAO will need to issue manual notices ([Attachment 4](#)).

Data Entry Requirements:

The CAO will need to continue to data enter information on the PW764 and in CIS to issue SPALs. However, system enhancements created changes to some existing screens and created new SPAL tracking screens. Based on this policy, the CAO needs to change data entry requirements.

PW764

- a) The CAO will need to continue to enter information in the description field.
- b) The 'From and Thru' fields need to reflect the ~~actual dates for which the SPAL is intended to cover.~~ **date the CAO determines eligibility for the SPAL.** CIS will still issue the SPAL as a one day issuance. However, for audit and tracking purposes, **the Description field on the PW 764 and in the narrative needs** ~~need to~~ reflect the period of time covered by the SPAL.

EXAMPLE: Books are issued for the fall semester. The actual dates of 8/20-12/15 need to be reflected on the PW 764, **in the Description field,** ~~on the notice,~~ and in the case narrative.

CCCOTI, CCFOTI and CCFSCK

- a) The 'Line No Field' **must** be data entered. CAOs must be careful when entering the Line No. on the PW 764 and in CIS. SPALS will now be tracked by the recipient number. The recipient information needed to track SPALs will be pulled from this field.
- b) The CAO will not be able to issue SPAL on a suspended budget
- c) The CAO will only be able to issue one SPAL at a time. If an individual is eligible to receive multiple SPALs on one day, the CAO will need to enter each

SPAL individually on separate **CCCOTI**, **CCFOTI**, or **CCFSCK** screens. The appearance of the screen remains the same.

d) ~~The description field of the PW764 needs to be data entered on the CCCOTI, CCFOTI and CCFSCK screens. Note: There are only 32 characters available in this field.~~

Procedure for Issuing SPALs for a period which cover the time period beginning July 1, 2011

Due to the SPAL system enhancements the CAO should not issue a payment *prior* to July 1, 2011 for SPALs which cover the time period beginning July 1, 2011. In order for the system to correctly track the annual and lifetime limits associated with each category of SPAL, the CAO cannot enter the SPAL information until the system enhancements are effective.

NOTE: The CAO needs to be aware that July 1, 2011 is the Friday before the 4th of July holiday weekend. Therefore, the CAO needs to inform staff of this SPAL data entry requirement and allocate enough staff to complete July SPAL authorizations on this date.

SPALS which are issued for a period beginning 07/01/2011 and On-going:

(This includes monthly transportation intended for the period 07/01/11-07/31/11)

1. The CAO will accept all SPAL requests, obtain verification if necessary, and prepare all documentation such as the SPAL verification Form or PW764 prior to July 1, 2011.
2. The CAO needs to inform the individual that the SPAL will not be issued until July 1, 2011.
3. The CAO needs to “hold” the SPAL documentation until July 1, 2011.
4. On July 1, 2011 staff will data enter SPALs information into CIS.

These necessary system enhancements must not impede an individual's ability to participate in their approved work or work-related activities for July 2011.

- **EXAMPLE 1:** The individual asks for a mileage SPAL on June 24, 2011. The SPAL covers the time frame from July 1 - July 31. The CAO will need to prepare the SPAL documentation by completing items such as the PW764 and narrative. However, the SPAL information cannot be data entered into CIS until July 1, 2011.
- **EXAMPLE 2:** An individual requests an auto repair and provides all requested verification by June 25, 2011. The CAO should issue this SPAL no later than June 30, 2011. This SPAL should not be included in the annual limits which be tracked by the system as of July 1, 2011.
- **EXAMPLE 3:** An individual requests an auto repair on June 26, 2011 and provides verification by July 3, 2011. The CAO should issue this SPAL by July 8,

2011. This SPAL will be tracked under the private transportation category which has an annual limit of \$1,500.

SPALs which are issued for a time period beginning in June 2011, but extend into July 2011

There may be occasions when a SPAL is issued to cover a period of time that overlaps months. The period may begin in June 2011, and end after July 1, 2011. In these scenarios, the CAO will need to complete two SPAL transactions. The first transaction will be for the state fiscal which ends 6/30/11. The second transaction will be issued for the state fiscal year beginning July 1, 2011. This will need to be held for processing until July 1, 2011 to ensure that any amount issued for the period on or after July 1, 2011 is tracked toward the annual or lifetime limit.

- **Example:** A mileage SPAL is requested for the time period of June 2, 2011 through July 31, 2011. The CAO should process the SPAL from the June 20, 2011 – June 30, 2011. The remainder of the SPAL needs to be processed on July 1, 2011. The amount processed on July 1, 2011 will cover the time period of July 1, 2011 – July 31, 2011 and tracked towards the annual limit.

NEW Tracking Screen CQSPTL

This screen will track the SPAL issuances for each recipient. The CAO needs to check this screen prior to issuing *every* SPAL to ensure that the limits are not exceeded. This screen will include the amount used for each category of SPAL.

- a) Once a lifetime limit is issued, CIS will not allow another issuance in that category. The CAO will receive an error message.
- b) SPALs that have an annual limit will be recycled annually on this screen. The annual limit information will be stored in history for 5 years.
- c) SPALs will be tracked based on the benefit “from” date. SPALs which are issued via EBT will post to the system by the batch process nightly. This information will be transferred to the SPAL tracking screen. SPALs issued via check will be dated in CIS on the day they are issued.
- d) When a SPAL with an annual limit is requested and the period of time it covers crosses the state fiscal year, the CAO must issue 2 SPALs. The amount of one SPAL will be equivalent to the amount needed for the current fiscal year and the second SPAL will be issued in the amount which covers the period of time for the new fiscal year. This method of issuing the SPAL will ensure the correct amount of the annual limit is applied to the correct fiscal year.

EXAMPLE: One month of mileage is requested on June 15. The mileage is intended to cover June 15 – July 15. The CAO will issue a mileage SPAL that covers 6/15-6/30 then a second d SPAL which cover s July 1 – July 15.

NEW Tracking Screen for Returns and Replacements CQSPTD

This screen will track the return or replacement of a SPAL. It tracks against a unique control number which is linked to the recipient. There will be a pass-off indicator available to the CAO to access the CQAPTL screen.

TABLES IN CIS

1. A new table has been created to identify the available RC for each type of SPAL. The name of this table is TSAL.
2. There are also reference tables which will track the annual and lifetime limits by the RC. The names of the tables are CQSPTK and CCFSCK. The reference tables will track information for five years.

Next Steps

1. Share this information with appropriate staff. Direct questions regarding verification for special allowances verification to BETP Policy Unit at 717-787-1302.
2. Retain this Operations Memorandum until the information is incorporated into the CAH and SNAP Handbooks.