

# DEPARTMENT OF PUBLIC SOCIAL SERVICES ADMINISTRATIVE DIRECTIVE



<b>NUMBER</b> 4829	<b>DATE</b> 11/16/09
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**SUBJECT:** HOMELESS CHANGES TO THE RESTRICTED ACCOUNTS

**REFERENCE:** Administrative Directive No. 4741, dated September 30, 2008

**CANCELS:** None

**CANCEL DATE:**

**REFER TO:** CW Policy 89-130

**SPECIAL ATTENTION:**  
 CalWORKs

**REPORT REQUIRED:**  NO  
**SURVEY REQUIRED:**  NO

## I. PURPOSE/BACKGROUND

The purpose of this Administrative Directive (AD) is to inform Homeless Case Managers (HCMs) and Homeless CalWORKs Families Project (HCFP) Eligibility Workers (EWs) working with homeless families of the changes to the CalWORKs Restricted Accounts due to the passage of Senate Bill (SB) 1341.

SB 1341 adds another allowable purpose for participants to use money in Restricted Accounts. Effective January 1, 2009, homeless CalWORKs participants can save money in a restricted account in order to pay for costs associated with securing permanent rental housing or to pay for rent arrearages to avoid becoming homeless.

This AD is effective upon its release. All other policies and procedures contained in AD 4741, dated 09-30-08, must continue to be followed.

**District Directors must ensure that this AD is reviewed with all appropriate staff and that a copy and explanation of the AD is provided to the affected staff.**

## II. POLICY

Previously, CalWORKs and Food Stamp participants were allowed to retain an unlimited amount of money in a restricted account at a financial institution. The funds must be retained and only used to:

- Purchase a home;
- Pay for educational or vocational training expenses of the account holder, or any person who is claimed or could be claimed by the account holder as a dependent for federal income tax purposes; or
- Start up a new business.

## II. POLICY (Continued)

Effective January 1, 2009, funds in a restricted account can also be used to pay for costs associated with securing permanent rental housing or to pay for rent arrearages to avoid becoming homeless.

Prior to the passage of SB 1341, in order to be eligible for Homeless Assistance (HA) benefits, families could not have more than \$100 in non-exempt liquid resources. Any savings that are held in a restricted account are now considered exempt from being counted toward the \$100 limit when determining eligibility for HA.

## III. PROCEDURES

### A. HCMs

1. When developing a housing plan with homeless participants, inform them of the Restricted Accounts. Ensure the family understands the purpose, restrictions and penalties of a restricted account.
2. For families who choose to establish a restricted account, work with the case-carrying EW to ensure that the restricted account is established and monitored.

### B. HCFP EWs

1. Inform all participants enrolled in HCFP about Restricted Accounts. Ensure the participant understands the purpose, restrictions and penalties of a restricted account.
2. Work with the HCFP housing specialist to ensure that when the housing plan and money management are discussed, families are also encouraged to establish a restricted account.
3. For families who choose to establish a restricted account, ensure that the restricted account is established and monitored.

Questions regarding this release may be directed by Administrative staff to CalWORKs Program Section at (562) 908-6336.



PHIL ANSELL, DIRECTOR  
BUREAU OF PROGRAM AND POLICY

CLEARANCE/APPROVAL:

BAS BCTS BPP BSO BWS

PA:CL  
JS:da