
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**PARTNERSHIP FOR STRONG FAMILIES,
AN ORGANIZATIONAL REPRESENTATIVE
PAYEE FOR THE
SOCIAL SECURITY ADMINISTRATION**

March 2008

A-04-07-17084

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

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We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: March 14, 2008

Refer To:

To: Paul D. Barnes
Regional Commissioner
Atlanta

From: Inspector General

Subject: Partnership for Strong Families, an Organizational Representative Payee for the Social Security Administration (A-04-07-17084)

OBJECTIVE

Our objectives were to determine whether Partnership for Strong Families (Partnership), as a representative payee for the Social Security Administration (SSA), (1) had effective safeguards over the receipt and disbursement of Social Security benefits and (2) used and accounted for Social Security benefits in accordance with SSA policies and procedures.

BACKGROUND

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. Congress granted SSA the authority to appoint representative payees to receive and manage these individuals' benefit payments. A representative payee may be an individual or an organization.¹ SSA selects representative payees for Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and Supplemental Security Income (SSI) recipients whom it believes would best serve the individual's interests.²

The Agency considers various factors in appointing representative payees for children in foster care. SSA policy indicates a parent or relative may be chosen as payee, even in a foster care situation.³ SSA acknowledges that, while the social agency is often the

¹ *The Social Security Act* §§ 205(j)(1)(A) and 1631(a)(2)(A)(ii), 42 U.S.C §§ 405(j)(1)(A) and 1383(a)(2)(A)(ii).

² 20 C.F.R. §§ 404.2021 and 416.621. OASDI and SSI benefits are also referred to as Title II and Title XVI, respectively.

³ Program Operations Manual System (POMS), GN 502.159.C.6.

best payee choice, this may not always be the case. Among the factors SSA considers in making its decision about who will be the best payee in these situations, is why the child was placed in foster care and whether there are family members who show a strong concern for the child. In addition, the Agency considers whether the foster care placement is expected to be temporary or long-term.

Florida's Foster Care Program

Florida's child welfare program provides services to abused and neglected children. The program serves children and families in their homes, as well as children who have been placed in foster care. Foster care settings include licensed foster homes, residential facilities, and homes of relatives or other approved individuals.

Before 1999, Florida's Department of Children and Families (DCF) provided foster care and related services through a mix of State employees and private providers. However, the 1998 Florida Legislature mandated that DCF privatize the foster care program by contracting with community-based lead agencies. These lead agencies assumed many of the management and operational responsibilities that were previously performed by the State. DCF is still responsible for overseeing the program and continues to operate the abuse hotline and perform child protective investigations.

In 2005, Florida completed the transition to community-based foster care. As of April 2005, 22 community-based lead agencies had assumed responsibility for providing child welfare services throughout the 15 State districts and the State Suncoast Region.⁴ With few exceptions, one lead agency serves only one district. Before the transition, DCF served as the representative payee for Florida foster care children receiving SSA benefits.

Partnership

Partnership is a nonprofit organization located in Gainesville, Florida. It provides child welfare services to District 3, an 11-county area in North Central Florida. In July 2004, Partnership began operations under a 3-year contract with DCF that initially totaled about \$65 million. Because the contract is cost-based and contingent upon the availability of State funds, the total amount of the contract is subject to change. In the first year of the contract, the State paid Partnership \$19.9 million; in the second year, Partnership received about \$24.3 million; and, in the final year, Partnership received about \$26.6 million—for a total of \$70.8 million. About 1 year into the contract, Partnership provided foster care and related services to about 1,700 children a month. During the contract, the number of children the organization served continued to increase—and, by the end of the contract, Partnership was providing care to about 2,000 children a month. Partnership and DCF amended the initial contract to add an additional year at the same level of funding as the previous year.

⁴ The Suncoast Region consists of six Florida counties: Pasco, Pinellas, Hillsborough, Manatee, Sarasota, and DeSoto.

In July 2005, Partnership became the representative payee for the foster children assigned to it who were receiving SSA benefits.

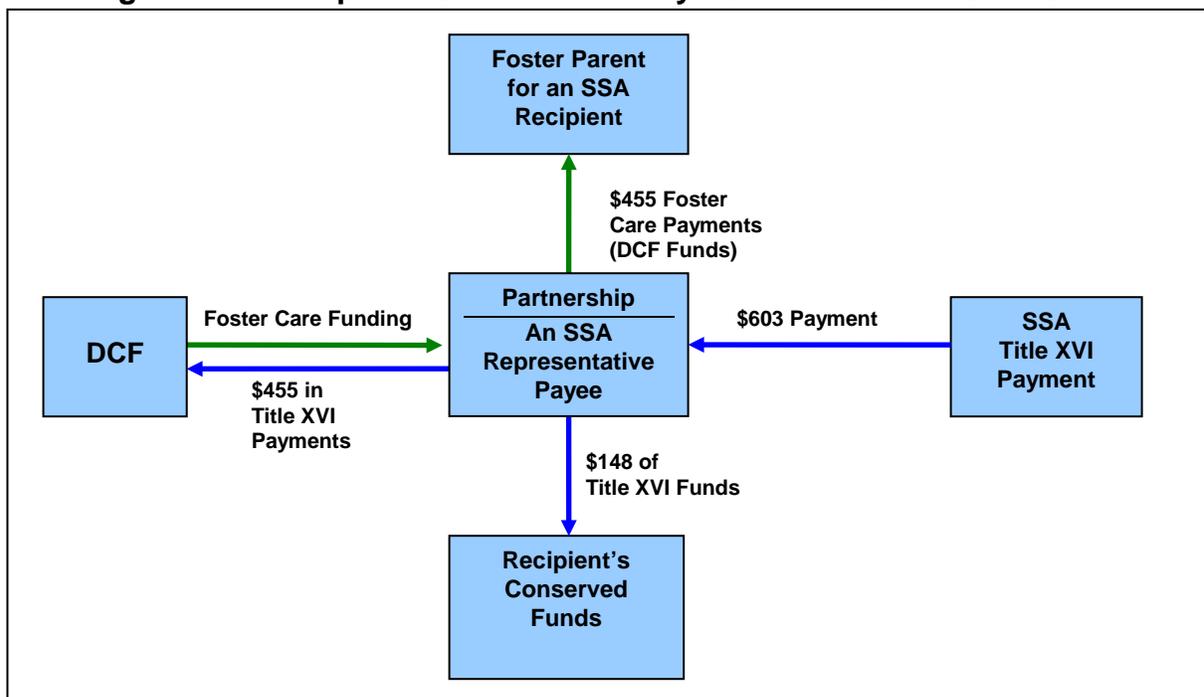
States Can Use SSA Benefits to Offset the Cost of Foster Care

In February 2003, the U.S. Supreme Court found that the use of Title II and/or Title XVI payments to reimburse States' expenditures for child support services was appropriate, when the State was acting as the representative payee.⁵ As a result of the ruling, Florida's DCF is entitled to SSA benefits to offset the cost of care provided to children in its foster care program. However, because Florida's foster care program is now community-based and services are managed by contractors, DCF no longer performs a detailed accounting of foster children's SSA benefits. This accounting function has been transitioned to its community-based contractors. When we selected our audit sample, Partnership was the representative payee for about 80 SSA beneficiaries and was responsible for receiving and accounting for their SSA benefits.

In general, the standard rates at which Partnership reimburses foster parents for the cost of a foster child's care is less than the maximum Title XVI monthly payment. For our audit period, the standard monthly rates at which Partnership reimbursed foster parents ranged from \$429 to \$515, depending on the child's age. In 2005 and 2006, the maximum Title XVI payment for an individual was \$597 and \$603, respectively. When the cost of care is less than the Title XVI payment, Partnership remits to DCF the amount reimbursed to the foster parent, and the difference is conserved for the child's personal needs. In circumstances where a foster child needs special care, the monthly cost of care may exceed the Title XVI payment. When this occurs, Partnership remits to DCF the entire Title XVI payment less \$30 conserved for the child's personal needs. The following diagram details the movement of funds between DCF, Partnership, SSA, a foster parent, and the child's conserved funds account.

⁵ *Washington State Department of Social and Health Services et al., Petitioners v. Guardianship Estate of Danny Keffeler et al*, 537 United States Reports 371, 2003.

Diagram 1: Example of One Title XVI Payment for a Foster Care Child



RESULTS OF REVIEW

Partnership generally had adequate internal controls for the receipt and disbursement of Social Security payments. Overall, transactions had proper authorization and were completed with adequate segregation of duties. Also, except for several transactions that lacked documentation, we determined that SSA payments were either used for the children’s care or saved on their behalf.

However, Partnership could have better managed SSA recipients’ conserved (or saved) funds. The organization occasionally reported excess conserved funds to SSA when the recipients’ countable resources were not over the \$2,000 Title XVI resource limit. Accordingly, SSA deemed the recipients ineligible and posted overpayments to their accounts—and, in one case, suspended their benefits. In total, SSA posted \$11,307 in overpayments for eight recipients and suspended payments totaling \$1,206 for one of the eight. For seven of the eight recipients, Partnership incorrectly included retroactive payments as a countable resource, causing the recipients to appear to be over the resource limit. Additionally, for four of the eight recipients, Partnership reported the actual cash account balances, when the balances should have been offset by funds due DCF for foster care services.

Further, Partnership did not always provide children with additional spending allowances from their available conserved funds. For 22 (44 percent) of the 50 sampled beneficiaries, the conserved funds balances averaged about \$1,800. Our beneficiary visits noted that foster care parents would welcome additional spending

money for the children’s personal needs. Given these relatively large account balances, we believe Partnership should disburse more of the conserved funds to foster care parents for the children’s personal needs, as appropriate.

Finally, Partnership could not provide documentation to support \$2,006 in expenses paid with SSA funds. Without proper receipts, we were unable to determine whether funds were used for the recipients.

CONSERVED FUNDS COULD BE BETTER MANAGED

As shown in Table 1, Partnership could have better managed SSA recipients’ conserved funds. The organization occasionally reported excess conserved funds to SSA when the recipients’ countable resources were not over the \$2,000 Title XVI resource limit.

Table 1: Partnership’s Errors in Managing Recipients’ Conserved Funds

Type of Error	Number of Recipients Affected	Benefits Returned to SSA in Error	Resulting Suspension of Payments
Retroactive Payments Included in Conserved Fund Balance	7	\$7689	\$1,206
Payments Owed DCF included in Conserved Fund Balance	4	3,618	0
Total	See Note	\$11,307	\$1,206
<p>Note: Only a total of eight recipients were affected by errors in their conserved fund balances. Some recipients had both types of conserved fund errors during the audit period but in different months. Specifically, three of the seven recipients had an error related to “retroactive payments” and also had a subsequent error due to “Payments Owed DCF.”</p>			

Excess Resources Reported to SSA in Error

Partnership did not always correctly report Title XVI recipients’ excess funds to SSA. For 7 (14 percent) of 50 sampled beneficiaries, Partnership reported excess conserved funds when the recipients’ countable resources were not yet over SSA’s resource limit. As a result, SSA posted overpayments to each of the seven recipients’ accounts and suspended one of the individuals’ payments. Specifically, SSA posted \$7,689 in

overpayments for months Partnership reported the recipients' resources were over the limit and suspended 2 months of payments totaling \$1,206. The suspended payments were eventually remitted.

Representative payees generally maintain recipients' unspent or saved Social Security payments in bank accounts for later use. These saved payments are referred to as conserved funds. When a Title XVI recipient's total resources,⁶ exceed \$2,000, the representative payee is required to notify SSA that the limit has been reached.⁷ After SSA is notified, Title XVI payments are suspended until SSA determines or is notified the recipient's resources have dropped below the limit.⁸ In each of the seven cases, the conserved fund account balances exceeded the \$2,000 limit. However, SSA policy allows a representative payee 9 months to spend retroactive payments⁹ before they are counted as a resource.¹⁰ For each of the seven individuals, Partnership reported conserved fund balances without deducting the non-countable, retroactive payments that had been deposited into the accounts.

For example, one recipient had conserved fund balances that appeared to exceed the resource limit in 2 separate months. However, when the receipt of a \$579 retroactive payment was properly excluded from the respective months' balances, the individual's countable resources were below the \$2,000 limit.

Partnership officials explained that the conserved funds were reported in error because former staff had limited knowledge of SSA's policy on this issue. We notified SSA's Gainesville, Florida, field office of these instances so corrective action could be taken.

Excess Resources Should Not Have Been Reported to SSA

For four beneficiaries (three of whom are also included in the previous section), Partnership also incorrectly reported and returned an additional \$3,618 in overpayments to SSA. Although the recipients' bank account balances technically exceeded the \$2,000 Title XVI resource limit, their ledger accounts did not accurately reflect obligations they owed to DCF for foster care payments. Partnership reported the actual bank account balances when it should have deducted the amount owed to DCF from the balances. Had the ledger accounts reflected the funds due DCF, these four recipients would not have exceeded the resource limit. Instead, because the accounts were reported as periodically over the resource limit, SSA posted \$3,618 in

⁶Resources are cash and any other personal property that an individual owns, has the right, authority, or power to convert to cash, and is not legally restricted from using for his/her support maintenance.

⁷ POMS, SI 01110.003 (A)(1).

⁸ *Id.*

⁹ POMS, SI 01130.600(A)(1). Retroactive benefits are benefits paid after the month in which they were due. Occasionally, SSA may not release benefits in the month they are due because a discrepancy exists on the beneficiary's record. When the discrepancy is cleared, all benefits past due are paid.

¹⁰ POMS, SI 01130.600(B)(1).

overpayments to the children's records. In trying to resolve the overpayments, Partnership returned what it believed to be the overpayments to SSA. Also, related to our finding, an August 30, 2006 DCF report stated that Partnership returned over \$51,000 in Title XVI payments to SSA for overpayments caused from reporting excess conserved funds.

DCF provides Partnership the funds to make foster care payments. However, all or a portion of the States' foster care costs for children receiving Title XVI payments can be offset by the Social Security benefit. As such, Partnership is responsible for remitting to DCF the Title XVI payments it receives as the representative payee. Although Partnership received monthly Title XVI payments, it did not always send the payments to DCF within the required 30 days. At the beginning of our audit period, Partnership remitted the Title XVI payments to DCF quarterly, not monthly.

By the end of our audit period, we observed that Partnership was remitting Title XVI payments to DCF monthly. However, despite this improvement, we noted the remittance due DCF for September 2006 (the final month of our audit period) was not made on time and was not reflected in the recipient ledger accounts. To ensure their foster children's Title XVI payments are not suspended or deemed overpaid because of excess resources, Partnership should ensure Title XVI funds are remitted to DCF monthly and properly accounted for.

CHILDREN DID NOT ALWAYS RECEIVE PERSONAL SPENDING ALLOWANCES FROM AVAILABLE SSA CONSERVED FUNDS

Partnership did not provide 22 (44 percent) of the 50 sampled beneficiaries with spending allowances from their available conserved funds. The conserved fund balance for the 22 children averaged \$1,800 during our audit period. The conserved fund balances consisted primarily of SSA funds inherited from DCF (the previous representative payee), SSA retroactive payments and Partnership monthly personal benefit set asides.

SSA requires that a representative payee ensure payments are made to meet a beneficiary's immediate and reasonably foreseeable day-to-day needs for food and housing.¹¹ In addition, for a beneficiary residing in a facility that receives substantial reimbursement for the individual, SSA requires a minimum \$30 monthly spending allowance be set aside from the Title XVI payments for the individual's personal needs.¹² Many States also set aside a minimum of \$30 from Title XVI payments as a spending allowance for children in foster care. Partnership set aside such personal spending allowances for its foster care children.

Although Partnership sends checks each month to foster parents for the children's basic care, additional monies could be used for the children's other needs. From our

¹¹ POMS, GN 00602.001(A)(2).

¹² POMS, GN 00602.010(B)(2).

visits to foster homes, it was evident that household money was not abundant and that any additional funds for a child’s clothing, school supplies and activities, entertainment, and more, would be gladly welcomed. Further, several foster home parents stated they used monies intended for basic home care for the child’s personal needs, not knowing that conserved funds were available for this purpose.

As of July 31, 2007, Partnership had \$172,000 in SSA conserved funds for 80 children, as detailed in Table 2 below.

Table 2: Detail of Large Conserved Fund Balances for Beneficiaries/Recipients in Partnership’s Care

Number of Affected Foster Care Children	Type of SSA Benefits/Payments Received at Time of Our Audit	Total Amount of Conserved Funds for Affected Children	Average Conserved Funds Per Child
46	Title XVI	\$86,436	\$1,879
31	Title II	\$83,097	\$2,680
3	No benefits/payments received at time of audit	\$2,467	\$822

Partnership explained that many of the foster care children qualify and receive a \$300 annual State supplemental benefit to be used for personal spending, primarily clothing for school. Eligibility for this benefit may have caused some confusion on how the SSA conserved funds should be distributed. Given the relatively large SSA conserved fund account balances maintained by Partnership, we believe more conserved funds should be disbursed to foster care parents for the children’s personal needs, as appropriate. Accordingly, we believe the organization should work closely with foster parents to identify children’s potential needs or wants that may be fulfilled using the children’s conserved funds.

BENEFICIARY/RECIPIENT EXPENSES NOT ALWAYS SUPPORTED

Partnership did not always maintain supporting documentation for expenditures paid with SSA funds. For 7 (13.4 percent) of the 52 transactions tested, Partnership could not provide adequate documentation to support the expenditures. The transactions totaled \$2,006. Because the organization could not provide proper receipts for these transactions, we were unable to determine whether funds were used for the beneficiaries/recipients.

SSA requires that representative payees keep accurate and complete records to show the amount of payments received and how the money was used. Supporting

documentation for expenses was lacking primarily because Partnership did not always collect or retain receipts for personal allowances or personal needs.

CONCLUSION AND RECOMMENDATIONS

Generally, Partnership met its representative payee responsibilities. However, the organization needs to improve its management and reporting of recipients' conserved funds. Partnership should also ensure beneficiaries/recipients receive personal spending allowances from their available conserved fund balances, when appropriate. Finally, Partnership should ensure documentation is maintained to substantiate expenses paid with SSA payments.

We recommend that SSA:

1. Reimburse the eight Title XVI recipients \$11,307 in monthly benefits that Partnership incorrectly returned to SSA. This amount includes the benefits Partnership returned because it mistakenly concluded the recipients' resources exceeded Title XVI limits.
2. Ensure Partnership better manages recipients' conserved fund accounts so balances (1) do not exceed the Title XVI resource limit or (2) are not incorrectly reported as exceeding the limit.
3. Instruct Partnership to work closely with foster parents to identify children's needs or wants that could be fulfilled using their SSA conserved funds.
4. Ensure Partnership disburses SSA conserved funds, as appropriate, to help foster parent's meet their children's more personal needs. At a minimum, Partnership should disburse the \$30 personal needs allowance that is withheld monthly from SSA payments.
5. Instruct Partnership to ensure all documentation is maintained to corroborate expenditures for beneficiary's personal needs that are paid for with SSA conserved benefits.

AGENCY AND REPRESENTATIVE PAYEE COMMENTS

SSA and Partnership agreed with our recommendations. In addition, Partnership's response included a letter from Florida's DCF that addressed the Title IV-E waiver issue we presented in the Other Matter section of this report. The letter provides an explanation of the waiver's effect and how DCF accounts for and uses Title IV-E funding. We appreciate DCF's explanation; however, additional clarification is needed to articulate how Title IV-E waivers impact the requirement to offset Title IV-E payments against Title XVI payments.

See Appendix C for the full text of SSA’s comments and Appendix D for the full text of Partnership’s comments.

OTHER MATTER

FEDERAL FOSTER CARE WAIVER

In April 2006, the Department of Health and Human Services, Administration for Children and Families, granted Florida’s DCF a 5-year waiver under Title IV-E of the *Social Security Act*.¹³ Effective October 2006, the waiver allows Federal foster care funds to be used for any child welfare purpose, instead of being restricted to out-of-home care, as generally required under Federal law. Under the waiver, funds can be used for a variety of child welfare services including abuse prevention, in-home services, and family reunification. The increased flexibility in funding allowed by the waiver is expected to result in improved services for Florida families. In general, the waiver will enable Florida to:

- Spend Title IV-E funds for children and families who are not normally eligible under Part E.
- Eliminate calculations to obtain Federal funds for foster care maintenance expenses.
- Pay for services that that are not normally covered under Part E.

During the 5-year waiver period, Florida will receive Federal funding based on what it would have received under the Title IV-E rules for the fiscal year ended September 30, 2005—with 3-percent annual increases. An independent evaluator will assess the waiver’s overall effectiveness.

According to SSA policy, Title IV-E foster care benefits are considered needs based income for beneficiaries who also receive SSA’s Title XVI payments.¹⁴ The policy further states that Title XVI payments must be dollar-for-dollar reduced by income derived from Title IV-E (foster care) benefits.¹⁵ Before the Title IV-E Waiver, Florida’s DCF made a separate accounting of foster care children that received Title XVI payments. For these children, DCF had procedures that ensured Title IV-E benefits were not used to reimburse the cost of foster care. As such, Title XVI payments were not offset by Title IV-E benefits.

At the time of our audit, DCF received funding from several sources—the State, Federal Social Services Grants, and Title IV-E. DCF then funded the community-based lead

¹³ *The Social Security Act* § 470 *et seq.*, 42 U.S.C. § 670 *et seq.*

¹⁴ POMS, SI 00830.410(C)(1)(a).

¹⁵ POMS, SI 00830.170(B).

agencies for the cost of foster care services. However, in this funding process, the identity of funds used for each child is not tracked. As a result, in practice, the cost of care for each foster child is reimbursed by both Title IV-E and Title XVI funds. Accordingly, the commingled funding may result in a situation that would require Title XVI funding to be reduced by the amount of Title IV-E funding.

In recent years, Florida DCF has received about \$10 million a year in Title XVI funds as reimbursement for the cost of foster care.

As the DCF continues to operate under the Title IV-E waiver, we believe additional clarification is needed to ensure that the waiver is properly implemented in accordance with regulations and policies.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr.", with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Agency Comments

APPENDIX D – Representative Payee Comments

APPENDIX E – OIG Contacts and Staff Acknowledgments

Acronyms

DCF	Department of Children and Families
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
Partnership	Partnership for Strong Families
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income

Scope and Methodology

Our audit covered the period October 1, 2005 through September 30, 2006. To accomplish our objectives we:

- Reviewed applicable Federal laws and regulations and Social Security Administration (SSA) policies and procedures pertaining to representative payees.
- Queried SSA's Representative Payee System for a list of individuals who were in the care of Partnership for Strong Families (Partnership) as of September 30, 2006 and who left the organization's care after October 1, 2005.
- Obtained from Partnership a list of individuals who were in its care as of September 30, 2006 and who left the organization's care after October 1, 2005.
- Compared and reconciled the Representative Payee System list to Partnership's list to identify the population of SSA beneficiaries who were in the representative payee's care from October 1, 2005 through September 30, 2006.
- Reviewed Partnership's internal controls over the receipt and disbursement of Social Security benefits.
- Randomly selected a sample of 50 beneficiaries from a population of 140 beneficiaries who were either in Partnership's care from October 1, 2005 through September 30, 2006 or who had left its care before September 30, 2006.
- For the 50 selected beneficiaries, we performed the following tests.
 - Compared and reconciled benefit amounts received according to Partnership's records to benefit amounts paid according to SSA's records.
 - Reviewed Partnership's accounting records to determine whether benefits were properly spent or conserved on the individual's behalf.
 - Traced a sample of recorded expenses to source documents and examined the underlying documentation for reasonableness and authenticity.
- Visited and interviewed a sample of beneficiaries to determine whether their basic needs were being met.
- Reviewed a sample of *Representative Payee Applications* (Form SSA-11-BK) to determine the completeness and appropriateness of the information provided on the applications.

We determined the data we obtained and analyzed were sufficiently reliable to meet the objectives of our review. We performed our review in Atlanta, Georgia, and Gainesville, Florida, from November 2006 to September 2007. The SSA component reviewed was the Office of the Deputy Commissioner for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: February 5, 2008

To: Office of the Inspector General
Atlanta Office of Audit

From: Regional Commissioner
Atlanta

Subject: OIG Draft Report, "PARTNERSHIP FOR STRONG FAMILIES, REP PAYEE FOR SSA", AUDIT NO. 22007010 - REPLY

The Atlanta Region appreciates the opportunity to review and comment on the OIG Draft Report, "PARTNERSHIP FOR STRONG FAMILIES, REP PAYEE FOR SSA", AUDIT NO. 22007010. We have reviewed the draft report. Many of the findings by OIG are the same or very similar to the findings from the local field office's (FO's) initial and follow-up reviews. We will continue to work with the organization and provide any resource, training, or education to support their compliance with SSA's representative payee rules and regulations.

Based on the results of this audit, we agree with all five of OIG's recommendations to the Agency. We are providing the following additional comments:

Recommendation 1

Reimburse the 8 Title XVI recipients \$11,307 in monthly benefits that Partnership incorrectly returned to SSA. This amount includes the benefits Partnership returned because it mistakenly concluded the recipients' resources exceeded Title XVI limits.

SSA Comment

OIG has provided the local FO with the names and account numbers of the Title XVI recipients impacted and immediate action has been taken to reimburse each recipient.

Recommendation 2

Ensure Partnership better manages recipients' conserved fund accounts so that balances (1) do not exceed the Title XVI resource limit or (2) are not incorrectly reported as exceeding the limit.

SSA Comment

We concur with this recommendation and have no additional comments.

Recommendation 3

Instruct Partnership to work closely with foster parents to identify children's needs or wants that could be fulfilled using their SSA conserved funds.

SSA Comment

During the local FO's initial and follow-up reviews, we determined that there was no standard or uniform communication procedure. Foster parents do not have a means of communicating with the Partnership's accounting department or staff to request additional funds. During our interviews with the foster parents, many allege that they had no knowledge of whom to contact; nor did they know the procedure for requesting funds or other personal items for the children. We recommended Partnership revisit, redefine, and share their policy/procedures with foster parents so that they know how to request funds or items for children in their care. Provided conserved funds are available, we advised Partnership that additional funds should be released to foster parents for necessary and reasonable expenditure requests.

Recommendation 4

Ensure Partnership disburses SSA conserved funds, as appropriate, to help foster parents meet their children's more personal needs. At a minimum, Partnership should disburse the \$30 personal needs allowance that is withheld monthly from SSA payments.

SSA Comment

We concur with this recommendation and have no additional comments.

Recommendation 5

Instruct Partnership to ensure all documentation is maintained to corroborate expenditures for beneficiaries' personal needs that are paid for with SSA conserved benefits.

SSA Comment

We concur with this recommendation and have no additional comments.

If you have any questions concerning these comments, please contact Vera Goodridge of the RSI Programs Team at 404-562-2453.

/s/

Paul D. Barnes
Regional Commissioner

Representative Payee Comments



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February 29, 2008

Ms Kimberly A. Byrd
Audit Director
Social Security Administration
Baltimore, MD 21235-0001

Dear Ms. Byrd:

We have reviewed the draft report entitled Partnership for Strong Families, an Organizational Representative Payee for the Social Security Administration (A-04-07-17084), and have the following comments regarding your recommendations:

Recommendations

Partnership should improve its management and reporting of recipients' conserved funds. Partnership should also ensure beneficiaries/recipients receive personal spending allowances from their available conserved fund balances, when appropriate. Finally, Partnership should ensure documentation is maintained to substantiate expenses paid with SSA payments.

Comments

Partnership for Strong Families, Inc. (PSF) subcontracts the case management functions with 3 different agencies for our 11 county service area. It is the responsibility of each case manager to monitor the funds and provide spending plans for any children on their caseload for whom PSF is the representative payee. As part of this responsibility they are supposed to consult the child's caregiver with regard to the special needs of each child. The case management agencies experienced quite a bit of turnover in staff during the time period that this audit occurred which resulted in insufficient spending plans, excessive conserved fund balances and a few inadequate receipts being submitted. Since that time the PSF Client Trust Fund Specialist has been providing pre-service and in-service training and technical assistance to the case management

www.pfsf.org

staff. In addition, the client trust fund accounts for all of the clients are available electronically to each case manager. These balances are monitored monthly and feedback is given to the Program Directors at our monthly performance meetings. Also, case managers are required to visit the children every 30 days. As part of the visit, case managers are now discussing the SSA fund balances for each applicable child and are also attaching the relative documents to the judicial reviews.

With regard to your analysis and comments about the Title IV-E waiver, we have attached a response from the Assistant Secretary for Administration for the Department of Children and Families.

We would like to thank Mr. Frank Nagy and Mr. David McGee for the technical assistance they provided during the audit and we appreciate having the opportunity to review and provide comments to this report.

Sincerely,



Steven J. Murphy
President/CEO
Partnership for Strong Families, Inc.

Attachment



**State of Florida
Department of Children and Families**

Charlie Crist
Governor

Robert A. Butterworth
Secretary

February 22, 2008

Mr. Steven J. Murphy, President and CEO
Partnership for Strong Families
515 North Main Street
Gainesville, Florida 32601

Dear Mr. Murphy:

It has been our long standing policy for foster care maintenance payments made on behalf of children receiving SSI to not be made from title IV-E funds, even though the child may be IV-E eligible. These payments have been coded IV-E eligible/ non IV-E reimbursable in our information systems. This has not changed under the waiver. It remains our intent to make foster care maintenance payments from state funds when such payments are made on behalf of children receiving SSI.

It is not the purpose or intent of the waiver to use title IV-E foster care funds to make foster care maintenance payments on behalf of children who would not have been eligible for title IV-E payments under the law as it existed prior to the waiver.

The primary purpose of the waiver is to give the state the flexibility to use title IV-E foster care payments for a broad array of child welfare services including prevention, intervention, and reunification services to children who are not in out of home care. Such services would not have been permissible prior to the waiver but are permissible under the waiver.

The primary funding sources for foster care maintenance payments for children eligible for IV-E prior to the waiver are federal IV-E funds and state general revenue funds. The primary funding sources for foster care maintenance payments for children non eligible for IV-E prior to the waiver are federal title XX funds and state general revenue funds.

Attached is a spreadsheet showing total charges for licensed care for the last 2 quarters and their fund source. Pre-Waiver, a child who was receiving SSI/SSA was coded in our ICWSIS system as IV-E eligible/non-reimbursable. This would force the charge for room and board to go to a state funded Other Cost Accumulator (OCA). The OCA is what we use to tell us our fund source.

Under the waiver, we reduced the number of OCA's used in ICWSIS down to the three (3) that you see on this report. Instead of having one OCA for every fund source and placement type, we only have them for placement type. We do know which children are receiving SSA/SSI as they are still required to be coded as such in ICWSIS and we have the ability to run reports detailing the cost of care for each of the children.

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency

Mr. Steven J. Murphy, President and CEO
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February 22, 2008

We know the total charges to state funds far exceed what we collect from SSI/SSA accounts so we are very comfortable that there is no duplication. Annual collections from SSI/SSA deposited into the Operations and Maintenance Trust Fund (OMTF) is about \$10 million. In just one quarter, the charge to state funds for maintenance exceeds that amount.

We will identify a method for improving how this information is identified and reported in the new financial module of the child welfare information system currently under development with a implementation date of August 2008.

To summarize:

- Our policy, both prior to the waiver and after, is to pay foster care maintenance payments on behalf of children who are IV-E eligible from state funds rather than IV-E funds.
- For children who are not IV-E eligible, we pay foster care maintenance payments from either state funds or from title XX funds.

For children who are IV-E eligible and not SSI recipients, we pay foster care maintenance funds from a fund source that is a mix of federal title IV-E funds, other federal funds, and state funds.

Sincerely,



Melissa P. Jaacks, CPA
Assistant Secretary for Administration

Attachment

be	cat	cobj_t_gr	cobj_name	oca	Total QTD Expenditures 063007	Percent	Federal Share QTD 063007	State Share QTD 063007
60910304	108304	CFVNGFAA	Non Grant Related	LCOTH	1,809,535.98	0.00	0.00	1,809,535.98
60910304	108304	CFVNGFAA	Non Grant Related	LCFH0	10,945,882.84	0.00	0.00	10,945,882.84
60910304	108304	CFVNGFAA	Non Grant Related	LCRGE	12,862,235.19	0.00	0.00	12,862,235.19
60910304	108304	PNV07G1E	Sub-total Non Grant Related	LCOTH	25,617,654.01	48.85%	0.00	25,617,654.01
60910304	108304	PNV07GPA	Waiver	LCOTH	0.00		(321,809.00)	321,809.00
60910304	108304	PNV07GPA	Waiver	LCOTH	1,057,084.00		1,057,084.00	0.00
60910304	108304	PNV07GPA	Waiver	LCFH0	6,394,300.92		6,394,300.92	0.00
60910304	108304	PNV07GPA	Waiver	LCRGE	7,513,784.25		7,513,784.25	0.00
60910304	108304	PSS07GAA	Sub-total Waiver	LCOTH	14,965,169.17	28.54%		14,965,169.17
60910304	108304	PSS07GAA	SSBG2	LCOTH	837,313.15		837,313.15	0.00
60910304	108304	PSS07GAA	SSBG2	LCFH0	5,064,907.07		5,064,907.07	0.00
60910304	108304	PSS07GAA	SSBG2	LCRGE	5,951,646.55		5,951,646.55	0.00
60910304	108304	Sub-total SSBG2			11,853,866.77	22.61%		11,853,866.77
		Total 063007			52,436,689.95	100.00%		52,436,689.95
be	cat	cobj_t_gr	cobj_name	oca	Total QTD Expenditures 093007	Percent	Federal Share QTD 093007	State Share QTD 093007
60910304	108304	CFVNGFAA	Non Grant Related	LCOTH	1,067,712.99	0.00	0.00	1,067,712.99
60910304	108304	CFVNGFAA	Non Grant Related	LCFH0	11,653,166.70	0.00	0.00	11,653,166.70
60910304	108304	CFVNGFAA	Non Grant Related	LCRGE	15,974,929.29	0.00	0.00	15,974,929.29
60910304	108304	PNV07G1E	Sub-total Non Grant Related	LCOTH	28,695,808.98	52.42%	0.00	28,695,808.98
60910304	108304	PNV07GPA	Waiver	LCOTH	0.00		(151,302.00)	151,302.00
60910304	108304	PNV07GPA	Waiver	LCOTH	607,700.12		513,832.55	93,867.57
60910304	108304	PNV07GPA	Waiver	LCFH0	6,806,042.54		5,629,788.01	1,176,254.53
60910304	108304	PNV07GPA	Waiver	LCRGE	9,092,299.14		10,363,547.75	(1,271,248.61)
60910304	108304	Sub-total Waiver			16,506,041.80	30.15%	16,355,866.31	150,175.49
60910304	108304	PSS07GAA	SSBG2	LCOTH	354,984.72		280,632.46	74,352.26
60910304	108304	PSS07GAA	SSBG2	LCFH0	3,874,351.95		2,942,644.17	931,707.78
60910304	108304	PSS07GAA	SSBG2	LCRGE	5,311,217.14		6,318,169.46	(1,006,952.32)
60910304	108304	Sub-total SSBG2			9,540,553.81	17.43%	9,541,446.09	(892.28)
		Total 093007			54,742,404.59	100.00%	25,897,312.40	28,845,092.19
be	cat	cobj_t_gr	cobj_name	oca	Total QTD Expenditures 123107	Percent	Federal Share QTD 123107	State Share QTD 123107
60910304	108304	CFVNGFAA	Non Grant Related	LCOTH	1,587,858.31	0.00	0.00	1,587,858.31
60910304	108304	CFVNGFAA	Non Grant Related	LCFH0	13,382,145.83	0.00	0.00	13,382,145.83
60910304	108304	CFVNGFAA	Non Grant Related	LCRGE	13,414,725.65	0.00	0.00	13,414,725.65
60910304	108304	PNV08G1E	Sub-total Non Grant Related	LCOTH	28,384,729.79	56.32%	0.00	28,384,729.79
60910304	108304	PNV08GPA	Waiver	LCOTH	0.00		(135,590.00)	135,590.00
60910304	108304	PNV08GPA	Waiver	LCOTH	843,895.77		843,895.77	0.00
60910304	108304	PNV08GPA	Waiver	LCFH0	7,112,180.58		7,112,180.58	0.00
60910304	108304	PNV08GPA	Waiver	LCRGE	7,129,495.68		7,129,495.68	0.00
60910304	108304	Sub-total Waiver			15,085,572.03	29.93%	14,949,982.03	135,590.00
60910304	108304	PSS08GAA	SSBG2	LCOTH	387,801.20		387,801.20	0.00
60910304	108304	PSS08GAA	SSBG2	LCFH0	3,268,309.00		3,268,309.00	0.00
60910304	108304	PSS08GAA	SSBG2	LCRGE	3,276,265.91		3,276,265.91	0.00
60910304	108304	Sub-total SSBG2			6,932,376.11	13.75%	6,932,376.11	0.00
		Total 123107			50,402,677.93	100.00%	21,882,358.14	28,520,319.79

OIG Contacts and Staff Acknowledgments

OIG Contacts

Kimberly Byrd, Director, Southern Audit Division, (205) 801-1650

Frank Nagy, Audit Manager, Atlanta Office of Audit, (404) 562-5552

Acknowledgments

In addition to those named above:

David McGhee, Auditor

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The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Resource Management (ORM). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

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OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

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ORM supports OIG by providing information resource management and systems security. ORM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, ORM is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.