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 | INFORMATIONAL LETTER |
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TRANSMITTAL: 92 INF-16

TO: Commissioners of
 Social Services

DIVISION: Income
 Maintenance

DATE: February 27, 1992

SUBJECT: Food Stamp Treatment of Payments to Qualified
 Organizations Serving as Representative Payees
 in the SSI Program

SUGGESTED
 DISTRIBUTION: Food Stamp Directors
 Income Maintenance Directors
 Staff Development Coordinators

CONTACT PERSON: County Food Stamp Representative at 1-800-342-4100,
 extension 4-9225

ATTACHMENTS: None

FILING REFERENCES

| Previous ADMs/INFs | Releases Cancelled | Dept. Regs. | Soc. Serv. Law & Other Legal Ref. | Manual Ref. | Misc. Ref. |
|-----------------------|-----------------------|-------------|---|------------------------|------------|
| | | 387.11(c) | P.L. 101- 508 | <u>FSSB</u> XII-G-3 | |

This letter clarifies food stamp policy on treatment of payments to qualified organizations serving as representative payees in the SSI program.

Under the Omnibus Budget Reconciliation Act of 1990, a qualified organization may collect a fee for acting as the representative payee for an individual receiving benefits in the SSI program. The organization may take its fee out of funds it handles as representative payee.

The amount of the fee, which the organization withholds from the funds it receives on behalf of the SSI recipient, is not counted as income to the SSI recipient for food stamp purposes. The monthly fee collected by the organization representative payee is legally obligated to the payee rather than to the household by virtue of the statute and as such is not countable. To qualify to collect a fee as representative payee an organization must be a community based non-profit social service agency which is bonded or licensed in the State. A qualified organization may not collect from an individual a total monetary fee for expenses of more than the lesser of 10 percent of the monthly benefit or \$25.00 per month.

This information will be included in the next Food Stamp Source Book update.

System Instructions

There are few, if any, cases like this in the State. Since the gross amount of SSI income must be entered in the system for COLA mass rebudgeting purposes, if a local district comes across this situation they should contact their food stamp county representative for budgeting instructions.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Income Maintenance