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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 94 LCM-28

Date: March 14, 1994

Division: Management Support
and Quality
Improvement

TO: Local District Commissioners

SUBJECT: Local District Charges for EBICS Transaction Fees

ATTACHMENTS: NONE

As you know, with the implementation of phase 3 of the Electronic Benefit Issuance and Control System (EBICS), the Department began to chargeback local districts for the local share of transaction fees associated with the issuance of Public Assistance (PA) benefits. The chargeback is processed as a below-the-line adjustment to the State settlement on the monthly settlement processed at the end of each calendar quarter. The chargeback amount is documented by a district specific monthly report entitled "Transaction Fee Administrative Cost Classification Report". Copies of the applicable monthly reports are sent to local districts along with their copy of the "Notice of Claim Settlement" for the month in which the chargeback is effected.

Effective with the month of July, 1993 the State share of EBICS transaction fees associated with the issuance of PA benefits will be applied to the local district's State share administrative cap for SFY 93-94. The State share amounts for transaction fees associated with issuance of PA benefits are also reflected on the "Transaction Fee Administrative Cost Classification Report."

This action is being taken consistent with the 1993-94 State budget. Prior to EBICS, local district costs related to PA check issuances were included in the administrative cap cost base and each year counted against the administrative cap. With the State assuming payment of the transaction fee, which replaced check issuance cost, the State share must be considered State administrative reimbursement to the local districts.

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The State share of EBICS transaction fees covering the months from July thru December, 1993 will be included as an expenditure against the administrative cap as part of the expenditures for December, 1993 reflected on the Administrative Cap worksheet. For any local district that has reached its ceiling under the State share administrative cap for State Fiscal Year 1993-94 with the inclusion of the State share of EBICS transaction fees, the administrative cap over-the-ceiling adjustments will be reflected on the State settlement for December, 1993 which is scheduled for processing in March, 1994. On an ongoing basis, the State share of transaction fees will be separately displayed in a new column on the Administrative Cap worksheet.

If you have any fiscal questions, please contact the Bureau of Local Financial Operations:

Region 1-4 - Roland F. Levie at 1-800-343-8859, extension 4-7549 or dial direct at (518) 474-7549; User ID# FMS001.

Region 5 - Marvin Gold at (212) 383-1733; User ID# 0FM270.

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Management Support and
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