

## Are You Taking Advantage of all Possible Revenues?

By Craig Moye

Supplemental Security Income (SSI) pays monthly benefits to people who are 65 or older, blind, or have a disability with little or no income or assets. Retirement, Survivors and Disability Insurance (RSDI—Title II) Benefits Title II pays monthly benefits to people who are disabled, people who retire after age 62 or widows and children of deceased workers.

If an inmate receives a monthly SSI, the SSI check will stop after the individual is in jail for a full calendar month. If an inmate receives Title II benefits, is in jail, and was convicted of a crime, the monthly benefits will stop after the individual remains in jail more than 30 continuous days following the conviction. By reporting a list of inmates to the Social Security Administration in a timely manner, the entity may be eligible to receive incentive payments.

Additionally, there are a few other benefits for correctional and mental health institutions to report prisoner information to the Social Security Administration, such as:

- State welfare agencies must check for periods of incarceration for an individual when that individual applies for food stamps. Since state welfare agencies can request that information from Social Security, they do not have to contact other state agencies or local correctional or mental health institutions for that same information.
- Timely reporting stops incorrect payments. While confined, inmates receive food, clothing and shelter at taxpayer expense. Not stopping Social Security payments made to inmates allows the inmates to receive a windfall of government benefits. Reporting to Social Security helps enforce the law.

By law, the Social Security Administration can only pay incentive *payments* to jails, prisons, and other correctional institutions. If the County or City has a jail, prison, or correctional institution, it may be eligible to receive these incentive payments.

### Incentive Payments For State And Local Institutions Under Social Security Programs

SSA Publication No. 05-10088, October 2003

Federal law permits incentive payments to state and local correctional and certain mental health institutions. The incentive payments are for providing information that:

- Results in the suspension of SSI payments to people whose confinement began in March 1997 or later; or
- Results in the suspension of Social Security retirement, survivors or disability insurance benefits to people whose confinement began in April 2000 or later.

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### Our Resources

As always, we are available as a resource to you as questions arise related to ARRA funding. We are in this together as both auditor and auditee will have to keep up with evolving and fluid guidance from the Federal and State governments.

Please contact any of our government partners and managers, at 1-800-277-0050 for assistance.

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State and local correctional institutions, and certain mental health institutions that want to participate in the incentive payment program, must sign an agreement with the Commissioner of Social Security. Under the agreement, the institutions must provide the following information every month about all newly admitted inmates:

- Social Security number
- Name
- Date of birth
- Date confinement or incarceration began
- Other identifying information about the inmate

In addition to monthly reports of new admissions, institutions must provide initial reports containing this information for their total inmate population. Participating institutions must forward the information to the Social Security Administration electronically.

The Social Security Administration will pay \$400 per inmate receiving benefits for information reported within 30 days of the individual's date of confinement/conviction or \$200 per inmate receiving benefits for information received after 30 days but within 90 days after the individual's date of confinement/conviction. The Social Security Administration does not pay for inmate information received after the 91st day following the individual's date of confinement/conviction.

### How the incentive payment process works

When reports are received, the Social Security Administration will:

- 1) Verify that required inmate data has been furnished by each participating correctional or mental health Institution
- 2) Confirm that Social Security number matches information on file
- 3) Review payment records to find inmates receiving Social Security or SSI benefit payments
- 4) Notify the inmate that Social Security or SSI payments must be suspended
- 5) Determine the incentive payment to each participating facility or institution
- 6) Transmit monthly incentive payments via electronic funds transfer to the financial account specified by each participating institution or facility
- 7) Send a monthly notice to each participating institution informing of:
  - The total number of Social Security or SSI recipients whose benefits were suspended as a result of information provided by the institution
  - The total monthly incentive payment
  - The date the electronic funds transfer was transmitted to the financial account.

### Use of incentive payments

The Social Security Administration does not place restrictions on how institutions use the money they receive in incentive payments.

### Technical assistance

The Social Security Administration does provide technical assistance, whenever possible, to correctional and mental health institutions having questions about reporting inmate data to Social Security. If you have technical questions about reporting formats, or other software issues, contact your local Social Security office at <http://www.socialsecurity.gov/locator/> for further assistance.

### Questions about incentive payment process

If you have any questions about this incentive payment program, you should contact any Social Security office for the name and address of your regional prisoner coordinator. The coordinator will assist you in enrolling in the program or answering your questions.

### Contacting Social Security

The Social Security Administration website is a valuable resource for information on all of Social Security's programs. In addition to using the website, you may call them toll-free at **1-800-772-1213**.

## Changes in FDIC Deposit Insurance Coverage

On November 9, 2010, the Federal Deposit Insurance Corporation (FDIC) issued a Final Rule implementing section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which provides for unlimited insurance coverage of noninterest bearing transaction accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions. The unlimited insurance coverage is available to all depositors, including consumers, businesses, and government entities. This unlimited insurance coverage is separate from, and in addition to, the insurance coverage provided to a depositor's other deposit accounts held at an FDIC-insured institution. In issuing the November Final Rule, the FDIC confirmed it would not extend the Transaction Account Guarantee Program (TAGP) beyond its sunset date of December 31, 2010.

A non-interest bearing transaction account includes a traditional checking account or demand deposit account where the insured depository institution neither pays nor accrues interest. It does **not** include other accounts, such as traditional checking or demand deposit accounts that may earn interest, Money Market Deposit Accounts (MMDAs), Negotiable Order of Withdrawal (NOW) accounts, and most sweep arrangements, regardless of the interest rate, even if no interest is paid on the account.

On December 29, 2010, President Obama signed into law an amendment to the Act to include Interest on Lawyer Trust Accounts (IOLTAs) within the definition of "non-interest bearing transaction accounts".

Because the FDIC is providing this insurance coverage on all non-interest bearing accounts, financial institutions will no longer be required to pledge collateral on the non-interest bearing accounts, and will more than likely release collateral that may have been previously pledged. Governments should make sure that collateral security arrangements remain in effect for all interest bearing accounts. Additionally, governments should maintain a tickler file as they approach December 31, 2012, and be sure to enter into the appropriate collateral security arrangements with financial institutions as the timeframe of the Act comes to a close.

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