

# County of San Diego, Health and Human Services Agency (HHS) CalWORKs Program Guide

## Vendor Payment

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### Background

Vendor payments are payments issued directly to a person or agency supplying goods or services to the customer or family.

### Policy

Vendor payments are most commonly used and issued as part of the Homeless Assistance payment or due to mandatory vendor payment requirements.

### 44-300.A.1 Mandatory Vendor Payment

Issue benefits by vendor payment when:

- The family receives payments for home repairs under special shelter payment provisions
- The family receives Homeless Assistance (HA) and it is determined the need to issue the HA benefits through vendor payment, refer to CPG 44-200.C
- At manager's discretion, a parent or caretaker is sanctioned for failure to meet Welfare-to-Work (WTW) requirements and the sanction has been imposed for a minimum of three consecutive months or longer

Make the mandatory vendor pay in the form of a warrant to the landlord. There is no service charge to the landlord. The vendor payment must be made to vendor(s) who is/are in the business of renting property or supplying utilities or fuel for household heating and/or cooling on a monthly basis.

Do not establish mandatory vendor payment when the vendor is **not** in the business of renting (refer to Processing Guide 44-300.A.1, under the Vendor Payment Situations section). In these instances the family will continue to receive the entire grant amount. Reevaluate if vendor payment can be established when the family's situation changes.

### Starting Mandatory Vendor Pay

A vendor payment agreement is not required to start mandatory vendor payments. Start mandatory vendor payments as soon as timely notice requirements can be met.

### Changing Landlords or Property Managers

Change the payee name, address, or rent amount as soon as possible when notified of the new information by the tenant. Refer to Processing Guide 44-300.A.1, under Changing Landlords or Property Managers section.

### Tenant's Right to Withhold Rent

A tenant may exercise the right to withhold rent due to untenable conditions. If the tenant notifies that he/she wants to withhold the rent payment:

- Document in the case narrative the customer's claim of such conditions
- Verification of untenable conditions is not required
- Issue a two-party warrant (the two-party warrant requires endorsement by both parties)
- Mail the two-party warrant to the landlord or property manager
- Allow timely notice to the customer of a change from vendor payment to a two-party warrant
- Continue issuing two-party warrants as long as the tenant wishes to withhold rent

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Stopping Payments

Stop mandatory vendor payments when:

- The customer is no longer subject to the mandatory vendor status
- The customer is eligible for an exemption or has cured his/her sanction

Allow timely and adequate notice to the customer to stop vendor payments when eligibility continues.

**Note:** Enter Case Comments in CalWIN for any actions taken regarding Vendor Payments.

**44-300.A.2 Voluntary Vendor Pay**

All customers are entitled to request a vendor payment option to pay for their rent. Only the customer can make a request for voluntary vendor payments. A customer can discontinue voluntary vendor pay at any time.

All of the following conditions must be met in order for a voluntary vendor payment to be processed:

- The AU receives a CalWORKs grant
- The CalWORKs grant is more than or equal to the amount of the requested vendor payment amount
- The vendor payment agreement has been completed by both the property owner, manager, agent, or landlord
- The property owner, manager, agent, or landlord must be a provider of commercial housing, or be a person in the business of property rentals, with a history of renting apartments and/or houses to tenants. Refer to Processing Guide 44-300.A.1, under the Vendor Payment Situations section.

Voluntary Vendor Payment Agreement

- Voluntary Vendor Payment Agreement form is required
- The form must be completed in its entirety by both the customer **and** the property owner, manager, agent or landlord

Refer to Processing Guide 44-300.A.1, under the Voluntary Vendor Payment Agreement section.

Starting Payments

- Start voluntary vendor payments, as of the date indicated on the agreement, as soon as timely notice requirements can be met

Vendor, Address, and/or Rent Amount Changes

- A new Vendor Payment Agreement is required when there is a change in vendors, a change of address, or a change in the rent amount
- When a change of address or vendor is reported, discontinue the vendor payment to the previous vendor. Written notification to the customer and property owner is required
- When the address remains the same, but the customer reports that the rent amount has changed, a new agreement form is needed to authorize the change in the vendor payment amount

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Stopping Payments

Stop voluntary vendor payments when:

- There is a change of address or vendor, but a new agreement is not provided by the customer (vendor payment may be reinstated once a new agreement is received)
- Requested by the customer

Allow timely and adequate notice to the customer to stop vendor payments when eligibility continues.

**Note:** Enter Case Comments in CalWIN for any actions taken regarding Vendor Payments.

**44-300.A.3 Vendor Pay Notification**

Send both timely and adequate notice to the customer when starting or stopping vendor payments. Timely notice is also required to change from vendor payments to two party warrants.

Notify landlords or property managers when vendor payments start or stop. Landlord notification does not need to be timely, however send prior to the time an action takes place.

**44-300.A.4 Confidentiality**

Confidentiality rules prohibit staff from releasing any specific case information (i.e., benefit amounts, status of case) to the public, including property owners, without the customer's written authorization.

However a release is not required to:

- To place the customer on mandatory vendor pay due to sanctions
- Obtain information about shelter fees or costs

The following information can be released to a landlord or property manager:

- Vendor payments have started
- Vendor payments have stopped
- The status of a specific payment (i.e., issued, returned, not issued, warrant is an overpayment, etc.)

Do not provide or discuss other information without the authorization of the customer. See CPG 19-000.A and CPG 19-000.B sections for complete information.

**44-300.A.5 Secured Cases**

In cases in which the landlord is a HHS employee, the secured Eligibility Worker will process the vendor pay request and transfer the case to the Confidential caseload.

**44-300.A.6 Lost or Stolen Warrant Procedures**

Follow the same procedures for lost or stolen warrants reported by the property owner, manager, agent or landlord as is followed with other lost or stolen warrants.

**44-300.A.7 Overpayments and Appeals**

The customer is responsible for all overpayments. The property owner, manager, agent or landlord is not responsible for overpayments, and they do not have appeal rights.

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**44-300.A.8 Fraud Convictions**

If a property owner, manager, agent or landlord is convicted of knowingly and willingly assisting a customer to commit fraud, vendor payments will no longer be issued to him/her.

**44-300.A.9 CalWIN Entries**

Please see Processing Guide 44-300.A.1 for CalWIN related information.

**Procedure:**

Refer to Processing Guide 44-300.A.1, located in the CalWIN Intranet.

**Impacts:**

None.

**References:**

W&I Code 10850  
W&I Code 11453.2  
EAS 44-303.3  
EAS 44-307  
EAS 82-832.1  
ACL 14-100  
ACL 15-92  
ACIN I-02-16

**Approval for Release:**

March 22, 2016

**Sunset Date:**

This policy will be reviewed for continuance by March 31, 2019.