MANAGEMENT MEMO	NUMBER: **MM 16-04**
SUBJECT: **GOVERNMENT CLAIMS PROGRAM TRANSFER TO DEPARTMENT OF GENERAL SERVICES**	DATE ISSUED: **June 29, 2016**
	EXPIRES: UNTIL RESCINDED
REFERENCES: Senate Bill 836 of 2016, sections 126-135, enacting Government Code (GC) section14659 et.seq., GC section 900 et seq., GC section 12438, State Administrative Manual Chapters 700, 2400, 3800, 6400, 7300, 8300, 8400, 8700, 10500, 10600, and 18400	ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

Purpose

This Management Memo communicates the transfer of the Government Claims Program (GCP) from the Victim Compensation and Government Claims Board to the Department of General Services (DGS), effective July 1, 2016.

Additionally, responsibility for the processing of stale-dated warrant claims is being delegated to the departments that issued the original warrants.

Finally, all departments are being granted authorization to refrain from collecting accounts receivables of $500 or less, provided that:
- Attempts to collect are in accordance with SAM section 8776.6.
- Departments will discharge only debts that have been determined to be uncollectable or continued efforts to collect are not cost beneficial.
- Departments understand the discharge from accountability does not release the debtor from the debt owed to the state.

Policy

All GCP staff and relevant functions will transfer to the DGS Office of Risk and Insurance Management (ORIM) with the exception of claims for stale-dated warrants (SDW), which departments will execute independently.

Effective July 1, 2016, authority to process claims for SDWs and issue replacement checks will be delegated to the departments that issued the original warrants. Departments have authority to issue replacement warrants from their current budget year appropriations.

Stale-dated Warrant Processing Procedures

In order to properly execute SDW claims, departments must adopt the following procedures. These procedures mirror the process previously executed in conjunction with the GCP. After July 1, 2016, departments will execute the process independently.

- Establish a point of contact for receipt of claims delivered either directly by claimants or by GCP staff in the event that SDW claims are erroneously filed with ORIM.
- Use the GCP claim form, which is available here, or develop a claim form which allows claimants to provide information required by Government Code sections 910 and 910.2.

Stale-dated Warrant Processing Procedures (cont)

- Provide notice to claimants that claims were received and that an investigation was started, or notify the claimant of any deficiencies in the application that may prevent the claim from being processed.
- Research the warrants in question to ensure that claimants do not have any outstanding liabilities with the state or that the warrants were not previously replaced.
- Excluding warrants issued directly by the department, department staff will coordinate with the State Controller's Office – Division of Administration to verify if warrants were previously cashed or reissued.
- Provide notice to claimants communicating the outcome of the investigation and, when applicable, issuing replacement warrants.

General Procedure Changes

Pursuant to Senate Bill 836 of 2016, sections 126-135 enacting Government Code sections 14659 et seq., effective July 1, 2016, government claims will no longer be acted on by the three-person Victim Compensation and Government Claims Board at monthly meetings. DGS staff will be responsible for taking action on claims and providing claimants notice.

Questions

If you have questions about the processing of claims for SDWs, please contact the Government Claims Program using the information below.

Department of General Services
Office of Risk & Insurance Management
Government Claims Program
P.O. Box 989052 MS – 414
West Sacramento, CA 95798-9052

Website: http://www.dgs.ca.gov/orim

General Number: 1-(800)-955-0045

Signature
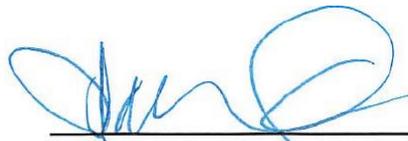
06/29/2016
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Date

Daniel C. Kim, Director
Department of General Services