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For Immediate Release

DHS bans use of public assistance funds at some locations Change will improve program integrity

The Iowa Department of Human Services announced today that households receiving assistance under the Family Investment Program (FIP) will not be allowed to use Electronic Access Cards (EAC) at the following locations:

- Liquor stores or any places that mainly sell liquor
- Casinos or other gambling or gaming establishments, or
- Businesses which provide adult-oriented entertainment in which performers disrobe or perform in an unclothed state

This includes using the cards at cash registers to make purchases and/or get cash back or withdraw funds at any ATMs at these locations.

Beginning February 1, 2014, households found accessing FIP benefits at these locations will lose eligibility – 3 months for the first violation, 6 months for each subsequent violation – and have to repay the amount accessed.

“This commonsense approach improves program integrity and helps ensure that lowans in need use these benefits for their families,” said Wendy Rickman, who administers the program for DHS. “This move provides another level of assurance to Iowa’s taxpayers that funds are used properly, and we’re doing this without disrupting businesses.”

The Department is sending letters this month to households currently receiving FIP, or who have recently been canceled, advising of the change, which is required under federal law. This change also affects the Refugee Cash Assistance (RCA) program.

FIP is the state’s cash assistance program funded with federal dollars from the Temporary Assistance for Needy Families (TANF) block grant, as well as state dollars. The state receives a fixed annual TANF award of \$131 million. FIP is one of many programs using TANF funds.

Currently, about 13,300 Iowa families, or 33,500 individuals, receive a monthly FIP grant averaging about \$324. With few exceptions, adults receiving FIP are required to participate in work, education, training and other activities designed to lead to work. Adults are also limited to a lifetime maximum of 60 months FIP assistance unless they meet hardship criteria. The average time a family gets FIP is 22 months.

Refugee Cash Assistance uses 100 percent federal funds available from the Refugee Resettlement Program to provide cash assistance for no more than eight months as refugees

resettle in the state. There are currently 120 families or 134 individuals receiving a monthly grant averaging \$183. Adults considered employable are required to register for work and participate in employment services.

“The majority of lowans in need who apply for these programs use the temporary funds properly to help care for their families, whether it’s through purchasing household items, fixing their car, paying utilities or buying school clothes for their children,” said Rickman. “This new approach allows for more accountability from the small number of individuals who try to abuse the benefits.”

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