DATE: July 26, 2018

SUBJECT: Supplemental Nutrition Assistance Program – Fiscal Year 2019
National Target Areas for Management Evaluations

TO: Regional Administrators
Program Directors
All Regions

The purpose of this memo is to transmit national target areas and procedures for the Supplemental Nutrition Assistance Program (SNAP) Management Evaluations (MEs) for Fiscal Year (FY) 2019. The Food and Nutrition Service (FNS) National Office (NO), in collaboration with FNS Regional Offices (ROs), has identified 3 national target areas and 8 at-risk program areas where resources should be directed for FY 2019.

National Target Areas:

MEs for the Federal target areas must be performed on an annual basis in accordance with Federal Regulation 7 CFR 275.3(a). Each year, FNS identifies specific areas required to be reviewed by the ROs.

The FY 2019 Federal Target Areas are:

1. Program Access Review (PAR) – Reporting Module - for one State in each Region;
2. Able-Bodied Adults Without Dependents (ABAWD) tracking and policy compliance for all States transitioning off of Statewide time limit waivers in FY 2019; and
3. Employment and Training (E&T) Program Review - in States that operate a mandatory E&T program and in States that have reported significant fluctuations in their FNS 583 data over a three-year period, such as a 30 percent (+/-) deviation in the total count of work registrants.

Program Access Reviews - Reporting Module

In FY 2019, ROs will pilot the new Program Access Review Reporting Module in one State per RO. ROs may choose the State at their discretion. ROs are expected to provide feedback on the effectiveness of the module and associated tools in completing the review, assisting in the identification of compliant and non-compliant areas (findings), and review coverage of this functional area. The final module and training will be provided before the FY 2019 review cycle begins.
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Review of ABAWD Tracking and Policy Compliance

First, RO staff shall use Section V of the ABAWD ME Guide to conduct readiness assessments in States that are anticipated to transition-off of a Statewide ABAWD time limit waiver in FY 2019. The readiness assessment must be conducted prior to the expiration of each State’s waiver, and does not need to be conducted onsite. This readiness assessment is considered technical assistance and should therefore not be entered into MEMS NextGen.

Second, RO staff shall use the full ABAWD ME Guide to conduct comprehensive reviews in all States that have transitioned-off of Statewide ABAWD time limit waivers in FY 2019 and any additional States identified by the RO and NO. This review should be conducted at least 3 months after each State’s ABAWD time limit waiver has expired. ROs have discretion to conduct ABAWD tracking and policy compliance reviews in tandem with other MEs, or to conduct them independently. Furthermore, as noted in the ABAWD ME Guide, ROs need not review content shared by the E&T ME Guide if they have already or plan to conduct an E&T review within the same FY.

Review of the State ME System

In addition to the annual ME reviews, the ROs shall conduct a review of the State agency’s ME system on a biennial basis, per 7 CFR 275.3(b). FNS may review a State agency’s ME system on a more frequent basis if a regular review reveals serious deficiencies in the ME system.

This review will include, but not be limited to, a determination of whether or not the State agency is complying with FNS regulations, an assessment of the State agency’s methods and procedures for conducting ME reviews, and an assessment of the data collection by the State agency in conducting the review. ROs shall also ensure States are reviewing project areas in accordance with new definitions by verifying that State ME Plans are in accordance with new project area sizes. ROs may consolidate the scheduling of these reviews to reduce the frequency of entry into the State agencies.

Federal At-Risk Areas:

ROs have the responsibility to review other areas on an at-risk basis. In determining risk, the RO should take into consideration any criteria associated with an at-risk area listed below, known or anticipated/potential deficiencies of an at-risk area in the State, and any recent changes to the program area. In addition, each area must be reviewed in each State based on the area’s minimum review cycle as indicated in Attachment A.
The FY 2019 Federal At-Risk review areas are:

1. ABAWD for any States that transitioned off Statewide time limit waivers in FY 2018 or have demonstrated significant deficiencies in ABAWD tracking and policy compliance;
2. E&T reviews should be considered in States that have recently implemented new eligibility or E&T MIS systems or that have budgets in excess of $15 million;
3. Electronic Benefit Transfer (EBT) focused on the following areas:
   a. Adjustments
   b. EBT System Security with a focus on administrative terminal access, including investigative cards, and separation of duties
   c. Reconciliation of EBT financial activity
4. Integrity of State reporting through SNAP’s Quality Control (QC) systems to ensure the reliability of the data;
5. QC Statistical anytime a State changes its sampling plans;
6. Recipient Claims Management/Treasury Offset Program;
7. Recipient Integrity; and
8. SNAP-Ed.

See Attachment A for minimum review cycles for each functional area.

**Federal Procedures:**

ROs should note the following procedures for completing MEs in FY 2019.

- ROs must follow the SNAP ME Guidance in additional to specific SNAP ME Functional Area guides for all ME reviews conducted.

- If a State is triggered for an at-risk functional area review, either by an at-risk criteria or minimum review cycle, and the RO believes conducting the review would not be beneficial, the RO must write a justification and place the justification in the RO’s ME review files for future inspection/audit purposes.

- Reviews—regardless of whether it is a target area or at-risk area in a given year—*must be completed onsite* in order to be considered an ME review.

- ROs must use the standardized ME review guides to review the specified program areas. It is important to note that review guides are *not* the sole source of questions if something is discovered onsite that requires further investigation.
• If issues are uncovered during the ME review process, the appropriate steps established through the escalation of high profile and/or chronic critical program issues should be undertaken as outlined in Escalation Procedures in the Post-Review & Report section of the SNAP ME Guidance.

• ROs should remind State agencies about their responsibility for completing and implementing corrective action within 60 days. According to 7 CFR 275.3, States are expected to immediately correct most ME deficiencies within 60 days and report back to the RO on deficiencies requiring longer term actions. ROs must continue to track long-term corrective actions until implemented and validated.

• ROs will develop a preliminary ME review schedule by September 1, 2018, in order for RO and NO staff resources to be efficiently distributed through cross-collaboration opportunities.

• In FY 2019, ROs are expected to conduct a review of all open findings from prior reviews, especially those findings with long-term corrective actions, and other areas of non-compliance in order to provide technical assistance to States in identifying and implementing actionable steps to eliminate the cause(s) of non-compliance and minimize the likelihood of recurrence.

**Review Staff:**

If reviewers at the RO are not familiar with a target area, the RO may need to train reviewers to conduct the review, assign the review to other staff within the RO who have the expertise, or request an expert from another RO or the NO. For example, financial management staff may monitor and review the financial area of a component, information technology staff may monitor and review an automated function, or civil rights staff may review an overlapping client services component. This will help ensure that problems are identified and corrected.

**Reports of RO Review Activity:**

In accordance with SNAP National ME Guidance, each RO must develop a preliminary review schedule by September 1, 2018. This year, ROs are required to input the preliminary schedule into MEMS NextGen by September 1. Finalized review planning should be completed and updates made to MEMS NextGen by October 1, 2018. ROs are responsible for keeping their review schedules up-to-date in MEMS NextGen throughout the year.
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We appreciate the effort made by you, your staff, and your State agency partners to ensure the integrity of and improved access to SNAP. If you have any questions or require assistance, please contact Michael Ribar at (703) 305-2449 or Michael.Ribar@fns.usda.gov.

Sincerely,

/s/ original signed by Jeff Cohen on behalf of

Jessica Shahin  
Associate Administrator  
Supplemental Nutrition Assistance Program  

Attachment  

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## Attachment A – SNAP ME Functional Area Review Cycles

At minimum, Regions must complete reviews of functional areas in every State based on the associated review cycles listed below unless otherwise noted in the annual target area memo.

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Review Cycle</th>
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<tbody>
<tr>
<td>ABAWD</td>
<td>Every 3 years</td>
</tr>
<tr>
<td>CAPER</td>
<td>Every 5 years</td>
</tr>
<tr>
<td>E&amp;T</td>
<td>Every 5 years</td>
</tr>
<tr>
<td>EBT</td>
<td>Every 6 years</td>
</tr>
<tr>
<td>PAR</td>
<td>TBD*</td>
</tr>
<tr>
<td>QC Statistical</td>
<td>Every 5 years</td>
</tr>
<tr>
<td>QC System Review</td>
<td>Every 5 years</td>
</tr>
<tr>
<td>Recipient Claims</td>
<td>Every 5 years</td>
</tr>
<tr>
<td>Recipient Integrity</td>
<td>Every 5 years</td>
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<tr>
<td>SNAP-Ed</td>
<td>Every 5 years</td>
</tr>
<tr>
<td>State ME System</td>
<td>Every Other Year (7 CFR 275.3(b))</td>
</tr>
</tbody>
</table>

**Example 1:** If a State’s SNAP-Ed review was last conducted in FY 2013, in FY 2018 the Region would need to conduct a SNAP-Ed review to meet the 5 year review cycle.

**Example 2:** If a Recipient Integrity review was conducted in FY 2014, and in FY 2017 because the State was triggered by an at-risk criteria, the next time the Region would have to conduct a review would be FY 2022 or sooner if the State is triggered by Recipient Integrity as a target area or criteria associated with an at-risk area.

*For FY 2019, the PAR guide remains in development. A minimum review cycle will be determined for the PAR guide once finalized.*