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Region: All Regions
Provision: 273.18(i)

This policy memo supersedes the first question in policy memo 86-21. The change is being made to increase flexibility in reporting in this area.

Question:

How are claims to be handled when a court orders an individual to perform public work?

Response:

If the court order is to serve in public work as a penalty and not to work-off the value of the coupon loss involved, a claim can be established by the State agency in addition to the penalty. If there is any doubt on the part of the State agency as to the intent of the court order, and clarification from the court is not forthcoming, the State agency shall consider the public work as payment for the value of the claim.

If the individual is ordered by the court to pay off the claim through public work, the State agency shall handle such cases by developing a demand letter to be sent to the household which explains that the household would be required to pay back the pro rata share of the overissuance for any portion of the work that is not completed. Unless the State agency can obtain information on the number of hours worked from the court, the household may also be required to advise State agency of the work completed.

The State agency may use either of the following two options for handling these claims on the FCS-209 report:

(A) Report as Work is Being Completed--

1. If the claim has not already been established, report the full amount of the claim on line 4 (newly established) when work has begun.
2. Report the pro rata share of the claim that was "worked off" for the quarter on line 10-- Compromised. Retention is not allowed for work credited to these claims.

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3. When the required work has been completed, report the claim as "closed" on line 8.

- or -

The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

(B) Report after all Work is Completed--

1. If the claim has not already been established, report the full amount of the claim on line 4 (newly established) when all of the work has been completed.
2. Report the full amount of the claim on line 10--Compromised. Retention is not allowed for work credited to these claims.
3. Report the claim as "closed" on line 8.

Please note that, for either option, if the individual does not complete the work, the State agency should pursue collection for the value of that portion of the claim which was not settled.

/s/

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