

# FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

– HOUSEHOLD CERTIFICATION TRAINING –



**MODULE 6**  
Recertification, Change Reporting, and  
Notice of Adverse Action

## Introduction:

- » The Food Distribution Program on Indian Reservations (FDPIR) is a federal program that provides USDA Foods to low-income households living on Indian reservations, in designated areas near reservations, and in the State of Oklahoma.
- » FDPIR Household Certification Training will help Indian Tribal Organization (ITO) and State agency certification workers and their supervisors successfully administer the program.
- » The training is comprised of nine modules, designed to be taken in any order. At the end of each module is a short quiz you may take to test your knowledge of the key learning points covered in the module. When you finish all nine modules, you may test your knowledge of the entire training by taking the post-test.
- » The knowledge gained in this training will help you provide the best support possible for current and potential FDPIR participants.

## Acronyms Used in Module

The following acronyms appear in this module:

**FDPIR** – Food Distribution Program on Indian Reservations

**FNS** – Food and Nutrition Service

**GA** – General Assistance

**ITO** – Indian Tribal Organization

**PA** – Public Assistance

**TANF** – Temporary Assistance for Needy Families

**USDA** – United States Department of Agriculture

## Learning Module 6:

# Recertification, Change Reporting, and Notice of Adverse Action

- » Refer to FNS Handbook 501 for more information about topics covered in this module.
- » On each slide of this module, you can find the specific section in the handbook where the topic is covered in greater detail.

## Learning Objectives:

### After completing this module, learners will:

- » Know when a household should be notified of the expiration of its certification period.
- » Understand what should be included in the notice of expiration.
- » Understand the verification requirements for recertification.
- » Know the reporting requirements for changes in household circumstances.
- » Be able to take the correct action in response to a change in household circumstances.
- » Understand ITO/State responsibility regarding adverse actions.
- » Know what content must be included in a notice of adverse action.
- » Be able to send timely notices to households, including joint processing households.

## Application for Recertification

Source: FNS Handbook 501, Section 5300

- » A household's entitlement to FDPIR benefits or USDA Foods ends at the expiration of its certification period. Therefore, each household must reapply for FDPIR to continue to be able to receive USDA Foods.
- » ITOs/State agencies must develop a procedure for notifying a household near to the end of its certification period that it must reapply to be recertified for FDPIR.

## Notice of Expiration of Certification

*Source: FNS Handbook 501, Sections 5310-5311*

- » The ITO/State agency may provide each household with a notice of expiration of its certification in the last or next-to-last month of the certification period.
  
- » The ITOs/State agencies are encouraged to include an application form with the notice of expiration, as appropriate.

## Notice of Expiration of Certification (continued)

Source: FNS Handbook 501, Sections 5310-5311

» The notice should include:

- The date the certification period ends;
- The date by which the household must file an application to receive uninterrupted benefits;
- The address of the FDPIR office where the application must be filed;
- The consequences of failure to comply with the notice of expiration (for instance, loss of right to uninterrupted benefits unless the household has good cause); and
- The household's right to file the application in person, by mail, by email/scan, by fax, or through an authorized representative.

## Right to Uninterrupted Benefits

Source: FNS Handbook 501, Section 5300

- » Households applying for recertification in the last month of their certification period must be provided an opportunity to obtain USDA Foods on an uninterrupted basis.
- » A household that fails to submit an application for recertification within the last month of the certification period loses its right to uninterrupted benefits.
- » However, at the option of the ITO/State agency, the household may be allowed to receive uninterrupted benefits, if possible.

## Verification Procedures at Recertification

Source: FNS Handbook 501, Section 3508

### Income

- » At recertification, the certifier only needs to verify a change in income if:
  - The source has changed; and
  - The amount has changed by more than \$100 since it was last verified.

Note: If the ITO/State agency has reason to question a household's report that income is unchanged or that it has changed by less than \$100, it must verify the income.

### Other Household Circumstances that Affect Eligibility/Benefit Level

- » All other changes reported at the time of recertification are subject to the verification procedures used at initial certification.
  
- » Any information that a household reports to be unchanged shall not be verified, unless questionable.

## Verification Procedures for Untimely Applications

Source: *FNS Handbook 501, Section 5320*

- » Applications for recertification that are received within 30 days after the end of the certification period must be processed using the same verification procedures as recertification applications received prior to the end of the certification period.
  
- » Applications for recertification that are received more than 30 days after the end of the certification period must be treated as an application for initial certification.

## Case Study 1 Scenario:

Sally's certification period expires on September 30.

Sally submits an application for recertification on October 15.

Which verification procedures should the certifier use?

## Case Study 1 Solution:

Verification procedures for recertification applications. Since the application for recertification was submitted less than 30 days after the end of the certification period, the certifier uses the verification procedures for recertification applications.

## Case Study 2 Scenario:

Joe's certification period ends on September 30.

Joe submits an application for recertification on November 4.

Which verification procedures should the certifier use?

## Case Study 2 Solution:

Verification procedures for initial certification actions. Since the application for recertification was submitted more than 30 days after the end of the certification period, the certifier uses the verification procedures for initial certification actions.

## Application Denials at Recertification

Source: FNS Handbook 501, Sections 5300; 5320

- » Households that refuse to cooperate in providing information for recertification must be denied (see FNS Handbook 501, Section 5320).
- » A household that has been denied recertification must be provided the opportunity to request a fair hearing and request a continuation of benefits at the previously authorized level pending the outcome of the fair hearing. Fair hearings are covered in more detail in Module 9, Fair Hearings (see FNS Handbook 501, Section 5300).

## Changes in Household Circumstances: ITO/State Responsibility

Source: FNS Handbook 501, Sections 5140; 5150

» The ITO/State agency must take appropriate action when changes occur within the certification period that affect a household's eligibility or level of benefits.

## Household Reporting Requirements for Changes in Circumstances

Source: FNS Handbook 501, Sections 5141; 5142

» Certified households are required to report the following changes within 10 days of the date the change becomes known to the household:

- All changes in household composition, such as the addition or loss of a household member;
- An increase in gross monthly income of more than \$100;
- A change in residence;
- When a household no longer incurs a shelter or utility expense; or
- A change in the legal obligation to pay child support.

» The ITO/State agency must not impose any additional reporting requirements.

## Case Study 3 Scenario:

Barbara was given a 12 month certification for FDPIR and started receiving benefits in May 2014. By providing a receipt showing her payment for her home electric bill, she received the standard regional shelter and utility income deduction as part of her certification. In August 2014, she enrolls in an energy savings program and her electricity bill decreases by 50%.

Is Barbara required to report this change to her ITO?

## Case Study 3 Solution:

No, because Barbara still incurs a monthly electric cost she does not have to report the change to her ITO. She only has to report when her household no longer incurs a shelter or utility expense.

## How Changes Are Reported

Source: FNS Handbook 501, Section 5143

- » The ITO/State agency may provide households with a form for reporting changes:
  - At the time of certification and recertification;
  - Whenever a change report form is submitted by the household;
  - At a household's request; or
  
- » At their discretion, ITOs and State agencies may also provide households with a form for reporting changes on a more frequent basis.
  
- » Changes reported over the telephone, by email/scan, by fax, or in person by the household must be acted on in the same manner as those reported via a change report form.

## Failure to Report Changes

Source: FNS Handbook 501, Section 5153

- » If the ITO/State agency discovers that a household failed to report a change and, as a result, the household received USDA Foods to which it was not entitled, the ITO/State agency must determine if an over-issuance claim against the household is warranted. Claims against households are covered in Module 7, Claims Against Households.
- » An over-issuance claim cannot be issued to a household for a change in circumstances that the household is not required to report.
- » If the ITO/State agency discovers within the certification period that the household failed to report a change and the change will result in a decrease in the benefit level or a termination for ineligibility, the ITO/State agency must issue a notice of adverse action to the household.

## ITO/State Action on Household Changes

Source: FNS Handbook 501, Sections 3507; 5150-5152

- » The ITO/State agency must take prompt action on all changes to determine if the household's eligibility or benefit level will be affected.
- » Even if there is no change in eligibility or benefits, the ITO/State agency must document the reported change in the case file, including the date the change was reported.

## Changes that Result in an Increase in Benefits

Source: FNS Handbook 501, Section 5151

- » Some changes, such as an increase in household size, may result in an increase in benefits.
- » For changes that result in an increase in benefits, the ITO/State agency must make the change effective no later than the month following the date the change was reported.
- » At its option, the ITO/State agency may make the change effective earlier.

## Changes that Result in a Decrease in Benefits or Ineligibility

Source: FNS Handbook 501, Section 5152

- » Some changes, such as the loss of a household member, may result in a decrease of the household's benefits or make the household ineligible for FDPIR benefits.
- » If the change results in a decrease in the household's benefits or the ineligibility of the household, the ITO/State agency must issue a notice of adverse action within 10 days of the date the change was reported.
- » If an over-issuance claim is warranted, the notice of adverse action and the initial demand letter must be provided to the household at the same time. The notice of adverse action may be combined with the initial demand letter.

## Notice of Adverse Action

Source: FNS Handbook 501, Sections 5160-5163

» If a notice of adverse action is required, the notice must explain in easily understandable language:

- The reason for the adverse action.
- The date it will take effect. This is the advance notice period and must be no less than 10 days and no more than 20 days from the date the notice is mailed.
- The household's right to request a fair hearing, and to continue to receive benefits at the previously authorized level pending the outcome of the fair hearing.
- The date by which the household must request the fair hearing and/or continued benefits at the current authorized level pending the outcome of the fair hearing. This is the advance notice period and must be no less than 10 days from the date the notice is mailed.

## Notice of Adverse Action (continued)

Source: FNS Handbook 501, Sections 5160-5163

- » The notice of adverse action must also explain in easily understandable language:
- That if a fair hearing is requested and the hearing decision upholds the adverse action, the household will be liable for the value of any USDA Foods it receives while awaiting the outcome of the fair hearing;
  - Contact information to obtain additional information;
  - Contact information of an individual or organization, if available, that provides free legal representation.

## Effective Date of the Decrease in Benefits or Ineligibility

Source: FNS Handbook 501, Section 5152

- » If a household change results in the decrease in benefits or ineligibility, the decrease in benefit level or termination for ineligibility must be made effective within specific time frames.
- » The effective date can be no sooner than the advance notice period expires—that is, the date specified in the notice of adverse action by which the household must request a fair hearing and continued benefits at the current authorized level.
- » Also, the effective date can be no later than the month following the month in which the advance notice period expires, unless the household requests a fair hearing and continuation of benefits.

## Case Study 4 Scenario:

A household reports on October 7 that their eldest son has joined the Marines and moved out of the household on October 3.

The certifier mails an adverse action notice to the household on October 10 advising the household that its authorized level of benefits will be reduced from a 5-person household to a 4-person household effective November 1.

The notice states that the household must request a fair hearing/continuation of benefits by October 25. The household does not request a fair hearing.

The household comes to the warehouse on October 13, its regularly scheduled distribution day, to pick up its USDA Foods.

For what household size should the household be issued benefits on October 13? On November 13?

## Case Study 4 Solution:

The household is issued USDA Foods for a 5-person household, because the adverse action does not take effect until November 1. When the household picks up its USDA Foods on November 13, it receives foods for a 4-person household.

## Household Appeal of a Decrease in Benefits or Ineligibility

Source: FNS Handbook 501, Sections 5152; 5500-5590

» Fair hearing procedures and the right to request continuation of benefits pending a fair hearing are addressed in more detail in Module 9.

## Reporting Requirements for Jointly Processed Households

Source: *FNS Handbook 501, Section 5142*

- » Public Assistance (PA) or General Assistance (GA) households that had their PA/GA application jointly processed with the FDPIR application have the same requirements to report changes as any other FDPIR household.
- » A FDPIR change report form may be used by jointly processed households unless a similar PA or GA change report form is used.
- » PA or GA households that report changes in circumstances to the PA or GA worker must be considered as having reported the changes for FDPIR.

## Timing of Notice for Joint Processing Households

Source: FNS Handbook 501, Section 5162

» The advance notice period for joint processing households must conform to that period of time defined by the ITO/State agency as an adequate notice period for its PA/GA caseload, provided that the period includes at least 10 days from the date the notice is mailed to the date upon which the action takes effect.

## Changes in Household Circumstances of Categorically Eligible Households

Source: FNS Handbook 501, Section 4300

- » The ITO/State agency shall not act on any changes in the income of a categorically eligible household as long as the household retains its status as a categorically eligible household.
- » The ITO/State agency shall act on changes in non-financial eligibility criteria (for example, a household reports that it moved outside the approved service area, therefore, it no longer meets the residency criteria).
- » If a household loses its categorically eligible status during the certification period due to loss of eligibility for PA, Supplemental Security Income, or GA, if applicable, the ITO/State agency must conduct an assessment of the household's eligibility for FDPIR, including verification of income, to determine the household's continued eligibility for FDPIR.

## Case Study 5 Scenario:

Jenny and her two children receive FDPIR and Temporary Assistance for Needy Families (TANF). The household receives a \$5,000 insurance settlement and reports the payment to both FDPIR and TANF.

There are no other changes in the household's circumstances and the receipt of the insurance settlement does not change the household's eligibility for TANF.

Should the certifier act on the household's report of an insurance settlement?

## Case Study 5 Solution:

No. Since the household was certified as a categorically eligible household, the FDPIR certification worker does not act on the household's report of receipt of the insurance settlement.

The household continues to be categorically eligible for FDPIR because of its eligibility for TANF.

## Case Study 6 Scenario:

Melissa and her two children receive FDPIR and Temporary Assistance for Needy Families (TANF). The household reports moving to a new location on the reservation.

There are no other changes in the household's circumstances and the change in residence does not change the household's eligibility for TANF.

Should the certifier act on the household's report of a change in residence?

## Case Study 6 Solution:

The certifier must document the new residence in the household's case file.

Although the household was certified as a categorically eligible household and the change in residence does not affect household eligibility for FDPIR, the ITO or State Agency must act on changes in non-financial eligibility criteria.

## Conclusion:

### Recertification

- » ITOs/State agencies must develop a procedure for notifying a household near the end of its certification period that it must reapply to be recertified for FDPIR.
- » Households applying for recertification in the last month of their certification period must be provided an opportunity to obtain USDA Foods on an uninterrupted basis.
- » During recertification, the certifier only needs to verify a change in household income if the source has changed or the amount has changed by more than \$100. All other changes to a household's circumstances are subject to the verification procedures at the initial certification.
- » If a household submits an application for recertification within 30 days after the end of the certification period, the ITO/ State agency must use the same recertification procedures as recertification applications that are received prior to the end of the certification period.
- » If an application for recertification is received more than 30 days after the end of the certification period, it must be treated as an application for initial certification.
- » A household denied recertification must be provided an opportunity to request a fair hearing and continuation of benefits at the previously authorized level pending the outcome of the fair hearing.

## Conclusion (continued):

### Changes in Household Circumstances

- » Certified households are required to report the following changes within 10 days of the date the change is made known to the household:
  - » Changes in household composition;
  - » An increase of gross monthly income of more than \$100;
  - » A change in residence;
  - » When the household no longer incurs a shelter or utility expense; and
  - » Changes in legal obligation to pay child support.
  
- » If an ITO or State agency discovers that a household failed to report a change and, as result, the household received USDA Foods to which it was not entitled, the ITO or State agency must determine if an over-issuance claim against the household is warranted.
  
- » If an ITO or State agency discovers that a household failed to report a change that will result in a decrease in benefits or a termination for ineligibility, the ITO or State agency must issue a notice of adverse action to the household.

## Conclusion (continued):

- » If a change in household circumstances results in a decrease in benefits or ineligibility, the ITO or State agency must issue a notice of adverse action within 10 days of the date the change was reported.
- » If an over-issuance claim is warranted, the initial demand letter must be provided to the household at the same time as the notice of adverse action.
- » The notice of adverse action must include, among other information, an explanation of the household's right to request a fair hearing and to continue to receive benefits at the previously authorized level pending the outcome of the fair hearing.
- » A decrease in benefit level or termination for ineligibility must be made effective no sooner than the date the advance notice expires or no later than the month following the month in which the advance notice period expires, unless the household requests a fair hearing and continuation of benefits.
- » For changes that result in an increase in benefits, for example, an increase in the household size, the ITO or State agency must make the change effective no later than the month following the date the change was reported.

## Conclusion (continued):

### Categorically Eligible Households

- » The ITO or State agency shall not act on any changes in the income of a categorically eligible household as long as the household retains its status as a categorically eligible household.
- » The ITO or State agency must, however, act on changes in non-financial eligibility criteria.

For more information about recertification, change reporting, and notice of adverse action, please review the FNS Handbook 501. If you have further questions, please speak with your supervisor.

## Module 6 Quiz

### Instructions:

The following quiz will test your knowledge of recertification, change reporting, and the Notice of Adverse Action.

**1. Households are automatically recertified for FDPIR benefits when their certification period expires.**

**A. True**

**B. False**

## **2. Which of the following does NOT have to be included on a notice of expiration?**

- A. The date the certification period ends**
- B. The date by which the household must file an application to receive uninterrupted benefits.**
- C. The consequences of failure to comply with the notice of expiration**
- D. The household's right to request a fair hearing.**

**3. True or False? During recertification, the certifier only needs to verify a change in income if the source changes or the amount has changed by more than \$200.**

- A. True**
- B. False**

**4. If the household submits an application for recertification more than 30 days after the end of the certification period, it must be processed using the same verification procedures as the procedures used during initial certification.**

**A. True**

**B. False**

**5. Tony's household has been denied recertification, and Tony requests a fair hearing. Can his household continue to receive FDPIR benefits until they learn the outcome of the fair hearing?**

**A. Yes**

**B. No**

**6. How many days does a household have to report a change in income that would affect its FDPIR eligibility?**

- A. 5**
- B. 10**
- C. 15**
- D. 20**

**7. Which of the following changes in household circumstances is required to be reported by households within 10 days of the date the change becomes known to the household?**

- A. An increase in gross monthly income of more than \$100**
- B. A change in household composition**
- C. When a household no longer incurs a shelter or utility expense**
- D. All of the above**

**8. Which of the following is NOT required to be included on a notice of adverse action?**

- A. The reason for the adverse action**
- B. The effective date of the adverse action**
- C. The date that the household may reapply for FDPIR benefits**
- D. The date by which the household must request a fair hearing and continuation of benefits at the current authorized level pending the outcome of the fair hearing**

**9. If a TANF household that is categorically eligible for FDPIR benefits reports a change in income, does the FDPIR certification worker act on the change in that household's income?**

**A. Yes**

**B. No**

**10. If a household receives a notice of adverse action stating that the level of FDPIR benefits will be reduced from a 5-person household to a 4-person household effective July 1 and the household does not request a fair hearing, what level of benefits will the household be issued when it comes to pick up its USDA Foods on June 21?**

- A. 4-person household**
- B. 5-person household**