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Food and Nutrition Service

Alexandria, VA

FNS HANDBOOK 310

Supplemental Nutrition Assistance Program

Quality Control Review Handbook

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Thru QC Policy Memo 19-02

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.

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Chapter 1
INTRODUCTION

100 GENERAL. This Handbook provides procedures for conducting quality control (QC) reviews of Supplemental Nutrition Assistance Program (SNAP) cases. The first chapter contains general provisions and definitions.

110 PURPOSE. Each State agency is responsible for conducting QC reviews as part of its Performance Reporting System. For QC reviews, a statistical sample of households is selected from households which are participating in SNAP (active cases) and households for which participation was denied, suspended, or terminated (negative cases).

All users of this handbook must comply with the directives and protocols outlined in a manner which maintains integrity of the QC system by employing activities which constantly and consistently avoid bias.

It is imperative the verification, documentation and coding of all QC cases accurately reflect the circumstances of the case. The data collected is used for multiple purposes including calculating official error rates, program research, and corrective action planning among other uses.

Reviews must be conducted on active cases to determine if households are eligible and receiving the correct allotment amounts. Reviews of negative cases must be conducted to determine the extent to which decisions and/or procedural processes to deny, suspend, or terminate cases are correct.

Reviews measure the accuracy/validity of SNAP cases at a given time (the QC review date).

The State agency must review cases against the SNAP Program standards established in the Food and Nutrition Act of 2008 and regulations as stated in the Code of Federal Regulations (CFR). Reviewers must take into account any waivers or state options approved by FNS and implemented by the state to deviate from specific provisions.

States must routinely address QC procedures in certification waiver requests. If the waiver will result in a need to deviate from the procedures in this Handbook, the State agency must:

- Identify the regulation citation and Handbook section,
- Describe what the new QC procedure will be, and
- Request approval of that procedure with a certification waiver request.

Approval must be granted by FNS before the QC procedure can be used by the State Agency. The reviewer must document any cases reviewed under modified procedures with the certification waiver name or description and the period for which the applicable waiver was in effect, as it pertains to the case under review.

120 OBJECTIVES.

The objectives of QC reviews are to provide:

- A systematic method of measuring the accuracy/validity of the SNAP caseloads
- A basis for determining error rates
- A timely, continuous flow of information on which to base corrective action at all levels of administration; and
- A basis for establishing State agency eligibility for bonus awards or State agency liability for excessive error rates

130 DEFINITIONS.

Active Case - A household that was certified prior to or during the sample month, and issued a SNAP allotment for the sample month.

This includes:

- Households certified in the sample month and issued an allotment in the next month
- Allotments subjected to recoupment

Issued benefits include:

- An online **Electronic Benefit Transfer (EBT) system** - benefits have been posted electronically to the household's account database
- A **Smart Card EBT system** - the card has been presented for update for the sample month. See Section 321 for details regarding participation in EBT systems

As of the Review Date (AORD) - As of the day within the sample month, either the first day of the fiscal or calendar month, or the day a certification action was taken to authorize the issuance being reviewed.

Bias – The act of treating cases differently.

Budget Month - The fiscal or calendar month from which a household's income and other circumstances are used to calculate the SNAP allotment for the corresponding issuance month.

- One-month retrospective budgeting system - the budget month begins a month before the first day of the issuance month

- Two-month retrospective budgeting system - the budget month begins two months prior to the first day of the issuance month
- Prospective budgeting system - the issuance month and budget month are the same

Case and Procedural Error Rate (CAPER) – The measurement of negative case reviews.

Case Records - QC works with two types of case records: The Certification Record and the QC Case record.

Certification Record - All records establishing a household's eligibility or ineligibility, and in active cases, authorizing the issuance of a SNAP allotment.

- Includes records, which may refer to the case file, certification record and issuance record
- The case record is usually found electronically and may be maintained by a data processing unit. In some instances the case record is maintained by and located in the local certification office or other State facility
- Case records may include, but are not limited to the following:

    - All documentation from the last application/reapplication including all changes
    - All case forms including the application, reports, and screen shots for eligibility
    - All information collected and created by the State to determine eligibility, including notes, comments/narratives
    - Screen shots for issuance and participation; and
    - Imaged documents

QC Case Record - The QC Case record is created by the QC unit to review sampled cases. This record must include all certification-related records for each sampled case and the following:

- The relevant QC form(s) and their supporting pieces of documentary evidence
- QC Field and reviewer notes, comments/narratives
- When applicable, additional QC review notes (e.g. second party, supervisor review notes, etc.), and
- E-mails that include information which assisted in the final QC determination of the sampled QC case

Categorical Eligibility (CE) – Households in which all members receive or are authorized to receive:

- Public assistance (PA)
- Supplemental Security Income (SSI)
- A State or local general assistance (GA) program, or
- Benefits of a State program conferring categorical eligibility

Categorical eligibility does not apply in these situations:

- The entire household is institutionalized, or
- The household or a member has been disqualified from receiving SNAP because of:

  - An intentional program violation
  - Failure to comply with a work-related requirement, or
  - Failure to submit a monthly report
  - Conviction of a drug-related felony (except for those States where the legislatures have enacted legislation limiting this disqualification)

Eligibility factors which are deemed by categorical eligibility include:

- Resource limits
- Gross and net income limits
- Sponsored non-citizen information, and
- Residency

In addition, Social Security numbers need not be verified for PA and SSI recipients. Social Security numbers need to be verified for GA households.

Certification Action - Action taken on a case prior to or on the review date that authorized the sample month's issuance, including:

- Initial certifications
- Recertifications
- Interim changes
- Changes prior to issuance, and
- Authorizations of supplemental issuances

Change - means an event that results in a difference between the household's circumstances AORD, and its circumstances at the time of certification or recertification. Changes include all events that either the household or the agency becomes aware of regardless of whether the event is reported and/or properly acted upon.

Collateral Contact - source of information which can be used to verify household circumstances. Collateral contacts are generally individuals such as landlords,

employers, schools, clergy or neighbors and government offices.

A collateral contact cannot be a person who is in the SNAP household under review, or a person who was involved in any way with the certification of the household, or an office within the State agency administering the program for purposes of primary or secondary evidence. A collateral serves to support or reinforce a statement or claim by the household, or to provide information about the household's circumstances.

Documentation – Documentation is a written or printed statement on paper, or recorded electronically and is used in multiple contexts, which include:

- The process of the reviewer recording information and explaining case circumstances related to each element under review as a part of the overall QC process.
- A written or printed statement on paper, or recorded electronically, that is used as verification of an element. Note that while documentation standards, as found in Chapter 5, require that written documents or forms must be used if available; the documentation of a verbal statement of verification may also be used when written or paper statements cannot be obtained.

Elements - A point or condition of SNAP eligibility that a household must meet. This must be verified and documented by the reviewer on the appropriate QC review worksheet

Eligibility Worker - The State Agency's employee who made the eligibility decisions on the case.

Error - A determination made by the quality control reviewer in which the active or negative action taken by the State agency differs from the findings of the QC review. An error is found when:

- It is determined that the household was either ineligible or was issued an incorrect allotment amount, or
- It is determined that the decision or process to deny, terminate, or suspend benefits is incorrect

Error Determinant Month - is the first full month that ends more than 30 days before the review date.

Error Review Committees - The role of an error review committee is to review cases for the purpose of future corrective action planning. Committees operate most effectively when they include representatives from QC, policy, and technical staff responsible for eligibility systems. This provides a variety of perspectives on the root causes identified through the QC process.

Future errors may be prevented during the eligibility and benefit determination process when the State agency uses this information through:

- Identifying error trends
- Utilizing training
- Implementing process improvements or technology to prevent future errors from occurring based on the root causes identified through the quality control process

Any process, discussion, and/or activity designed with the intention of fixing or mitigating errors in cases currently under review in order to artificially adjust the State's error rate are not an appropriate use of the error review committee and is an unacceptable practice:

- This applies whether or not formal committees are established
- QC reviews may only be discussed for future corrective action planning after case results have been transmitted to FNS
- QC reviews may not be examined in order to mitigate error findings prior to releasing case results to FNS
- Conference calls or meetings with a contractor to discuss individual sampled cases must be documented, including any action taken by the State within the case file

Error Threshold (tolerance level for excluding small errors) - For fiscal years 2015 and thereafter, the 2014 error threshold will be adjusted annually. The percentage of adjustment will correspond to the amount by which the Thrifty Food Plan (TFP) for the 48 contiguous States and the District of Columbia is adjusted. The value for the current fiscal year and previous years can be found in Appendix A.

Initial Month - The first month for which the household was certified for participation following any period when the household was not certified. For an initial month, benefits are prorated from the day of application to the end of the month.

However, for migrant and seasonal farmworker households, the initial month is the first month following a period of more than 30 days in which the household was not certified.

Interim Change - A recalculation of SNAP benefits resulting from a change reported by the household; or a change the State agency becomes aware of through a source other than the household.

Exception: Does not include ***non-income*** related mass changes.

Income related mass changes include, but are not limited to:

- Social Security Administration (SSA) and Supplemental Security Income (SSI)

Cost of Living Adjustments (COLAs), and
- Across the board adjustments to Temporary Assistance to Needy Families (TANF)

Non-income related mass changes include, but are not limited to:

- Adjustments to Standard Utility Allowance (SUAs), and
- Standard deductions

Issuance Month - The fiscal or calendar month for which the State agency issued a SNAP allotment. A case's issuance month will always be the same as its QC sample month.

Likely Conclusion - The use of information, other than standard verifications, that is used in conjunction with verified case record information, and that supports a reasonable judgement for a particular element or elements.

Mitigate – An attempt to lessen or decrease a QC error to reduce the impact of the error instead of accurately reporting the error. Corrections for policy or math errors are not considered mitigation.

Negative Allegation - Denial by a household regarding a circumstance related to their SNAP eligibility.

Negative Case - A household whose application for SNAP benefits was denied, or whose SNAP benefits were suspended, or terminated by an action in the sample month.

Overissuance - the amount of SNAP benefits the household was authorized to receive was greater than what they were eligible to receive.

Payment Error Rate (PER) - The measurement of the accuracy of the active case review.

Positive Allegation - Acknowledgement by a household regarding a circumstance related to their SNAP eligibility.

Processing Month - The month between the budget month and the issuance month in a two-month retrospective budgeting system.

Prospective Budgeting - The computation of a household's SNAP benefits for an issuance month is based on income and other circumstances reasonably anticipated for that month.

Prospective Eligibility - An eligibility system in which the eligibility determination is based on income and other household circumstances reasonably anticipated for the issuance month.

Public Assistance (PA) - Any of the following programs authorized by the Social Security Act of 1935, as amended:

- Old-age assistance
- TANF
- Aid to the blind
- Aid to the permanently and totally disabled, and
- Aid to aged, blind, or disabled

It does not include Supplemental Security Income.

Quality Control Review - A review of a statistical sample of active and negative cases to determine the extent to which households are receiving the SNAP allotments to which they are entitled, and to determine the extent to which decisions and/or procedural processes to deny, suspend, or terminate cases are correct.

Recertification - A certification action taken to authorize benefits for an additional period of time immediately following the expiring certification period.

Record Retention - The length of time a State agency must retain State QC files without loss or destruction. For any given fiscal year, all QC records (including the eligibility files relevant to those QC cases and any documentation or notes, including all applicable electronic files, that had an impact on how a QC case was finally determined by QC) must be retained for a minimum of three years following fiscal closure to meet federal record retention requirements. For States in liability status, record retention begins on the date their liabilities are resolved.

Reporting Systems - The household is required to report certain specified changes in its circumstances within 10 days of the date the change becomes known to the household or within FNS approved time frames and rules.

- Certified Change Reporting with Status Reporting – The household is required to report a change in wage/salary rate or a change in full-time or part-time employment status. Household cannot be certified for more than 6 months.
- Certified Change Reporting with $100 a month Earned Income – The household is required to report a change of $100 a month in earned income from the amount last used to calculate the household's allotment. Household cannot

be certified for more than 6 months.

- Monthly Reporting - The household is required to submit a report following each budget month that is used to determine benefits for the corresponding issuance month.
- Quarterly Reporting - The household is required to submit a report once a quarter following a budget month that is used to determine benefits for the following three issuance months.
- Simplified Reporting – The household is only required to report:
  - Changes which cause the household's ongoing gross income to exceed 130% of the poverty income guidelines for household size, and
  - Able-bodied adults without dependents (ABAWD) subject to the time limit must report any changes in work hours that bring an individual below 20 hours per week, averaged monthly.

Retrospective Budgeting - A budgeting system in which the computation of a household's SNAP benefits for the issuance month is based on actual income and deductions that occurred during the previous month or the month prior to the previous month, depending on State-selected options, with some exceptions.

There are special provisions for:

- Annualizing self-employment income
- Prorating educational monies and most contract income, and
- Averaging some deductions

Retrospective Eligibility - An eligibility system in which the eligibility determination is based on income and other circumstances, which existed in the retrospective budget month.

Review Date -

Active cases - A day within the sample month, either the first day of the fiscal or calendar month, or the day a certification action was taken to authorize the issuance, whichever is later. Also known as "AORD" which means as of the review date.

Negative cases – Could be the date of the agency's decision to deny, terminate or suspend program benefits, the date on which the decision is entered into the computer system, or the date of the notice to the household, depending on the characteristics of individual State Systems.

The review date is never the date the QC review is conducted.

Sample Month - The month of the sample frame from which a case is selected. For active cases, sample month is synonymous with issuance month.

Third Party Contractors - If a State elects to procure services of a third party contractor to help assess quality control processes, provide policy training, or manage any project that involves the interpretation of FNS regulations, policies, or handbooks; the State must ensure that all activities and deliverables performed by the third party contractor adhere to Federal regulations and policy.

- Activities performed or deliverables provided by a third party contractor that are not in accordance with Federal regulations or policies are unallowable SNAP administrative expenses and are not eligible for Federal reimbursement
- If a State intends to hire or already has in place an existing contract with a third party contractor to train quality control reviewers regarding SNAP regulations, policies, or handbooks to improve payment accuracy; FNS requires the following procedures.

  - The State must notify FNS in writing of its intent to hire a contractor at least 30 calendar days prior to entering into a contract.
  - The State must submit to FNS a copy of the contract and supporting documentation that outlines all tasks and deliverables to be performed by the contractor.
  - The State must submit to FNS a copy of all deliverables provided by the contractor.
  - The State must notify FNS of any training sessions led by the contractor, including the date, time, and location, at least 10 days in advance of the training. FNS reserves the right to attend any training session without prior notice.
  - If the State schedules conference calls or meetings with the contractor to discuss individual sampled cases, the State must document the discussion and any action taken by the State within the case file. FNS reserves the right, upon request, to participate in any conference calls, meetings, or emails between the State and the contractor where individual sampled cases are analyzed.

Failure to adhere to FNS policies and procedures related to error review committees or supervisory reviews introduces bias into the QC system, and is unacceptable.

Underissuance - The amount of SNAP benefits the household was authorized to receive which was less than what they were eligible to receive.

Universe(s) - All units from which information is desired and a sampling frame can be constructed. There are two Universes for SNAP QC:

- Active Universe - consist of all households participating in the SNAP except those listed in Sections 331 through 338 and
- Negative Universe - consists of all actions to deny, terminate or suspend benefits except those listed in Section 1332.

Variance - The incorrect application of policy and/or a deviation between the information used and the information that should have been used to authorize the sample month's issuance.

Verification - Establishment of the accuracy of specific elements of eligibility and allotment by securing documentary evidence and/or by making collateral contacts with individuals, other than members of the household under review.

140 HANDBOOK MODIFICATION. This Handbook is designed for use by all State agencies. It provides review procedures for various combinations of eligibility, budgeting and reporting systems that are needed because of State differences resulting from the selection of options. Consequently, there are sections that do not pertain to certain States because of FNS-approved waivers and options; and there are some sections that need to be modified to fit particular circumstances in a State. Some certification waivers are very common.

NOTE: The reviewer must document any cases reviewed under modified procedures with the certification waiver name or description and the period for which the applicable waiver was in effect, as it pertains to the case under review.

150 ADMINISTRATION OF THE QC SYSTEM. Each State is responsible for maintaining sound administration of all facets of the QC system. It is responsible for complying with the SNAP Act and regulations, this handbook, and FNS policy memoranda, as well as the State agency's Plan of Operation.

151 Implementation of QC Indexed Policy Memoranda. FNS QC indexed policy memoranda must be implemented no later than the first sample month beginning 30 days after transmittal of the memoranda to the State agency.

152 Contracted Activity. A contractual agency may be used to conduct QC activities only if it is the department of the State regularly employed for this function (e.g., a State Inspector General's Office or a State Office of Audit). For those States in which QC is conducted by a contractual agency, the State agency must ensure that FNS-approved policies and procedures are followed.

153 Staffing Standards. In accordance with SNAP regulations, the State must employ sufficient QC staff to perform all aspects of the Performance Reporting System to ensure reviews are completed to meet reporting requirements, and to ensure the quality of the reviews.

154 Avoiding Bias. The QC review is to determine the accuracy of the eligibility and allotment for the sample month. The reviewer must verify actual circumstances of

the household in the sample month, and evaluate the accuracy of the initial determination. Following applicable regulations and policies, the reviewer must arrive at a case finding without consideration of its impact on the payment error rate, and case and procedural error rate.

Accomplishing the objectives of QC depends upon the successful operation of all facets of the QC subsystem. Specifically it depends on:

- The integrity of the sample selected
- The training provided to reviewers on conducting reviews
- The skills with which the reviewers conduct reviews
- The accuracy and detail used by the reviewer to record their findings
- The completeness and accuracy of data analysis
- The correct use of appropriate corrective action planning
- The correct determination of liability for errors
- The correct determination of high performance bonus eligibility

The QC System must eliminate bias. Otherwise, the results will not be valid and will have little use in planning corrective actions.

Common sources of bias include:

- Reviewing cases with the intent to mitigate or lower errors
- Inadequate sampling techniques (see FNS-311, The Quality Control Sampling Handbook)
- Lack of objectivity on the part of the reviewer or State management
- Inappropriate involvement by the local office
- Inconsistent application of the statute, regulations, FNS policy or QC procedures
- Failure to follow the statute, regulations, FNS policy, QC policy, QC handbooks, and QC memorandums
- Non-completion of cases
- Inconsistent or inappropriate use of second-party reviews, and
- Inappropriate use of error review committees or any process used in the same manner during the review process

The following actions, which are not all inclusive, are examples of <u>activities that produce an unacceptable bias</u> in the QC system:

- Prior knowledge by the reviewer of cases scheduled for review, resulting in the agency's intentional or unintentional treatment of these cases in a special manner that, in turn, makes the sample results unrepresentative of the whole caseload. A reviewer with prior knowledge is defined as individuals who have had:

- Any participation in the decision that had been made in the case
- Any discussion of the case with staff who participated in the decision; or
- Any personal knowledge of, or acquaintance with, the household.

NOTE: Personal knowledge by a State staff member shall disqualify that worker from being able to be the case reviewer but the staff member may still be a collateral contact. Any contacts for those purposes must adhere to all rules pertaining to information sought and shared with any other collateral contact, as found in Section 431.

- The State or local agency adding documentation to, removing documentation from, and/or altering documentation from the official record of a sampled case
- Approaching the review with the intention of proving the case correct or incorrect. The QC reviewer must pursue all evidence in the case to arrive at the actual circumstances of the household
- Failing to interview the household appropriately to determine all of the household's relevant circumstances such as

  - Failing to ask the household if there have been any changes in, for instance, household composition, shelter, or any other elements of eligibility
  - Not inquiring about household management of expenses when income is less than expenses and all expenses are currently being met
  - Ignoring information from a collateral contact or household because it presents discrepant information that would have to be resolved.

- Not following all leads or questionable circumstances regardless if the verification and documentation requirements of the HB 310 have been met
- Structuring staff performance metrics to encourage under counting errors

  - States must take precaution to ensure performance metrics do not introduce bias by encouraging or instructing the staff to find cases correct or mitigate errors
  - States must not incentivize staff to find the eligibility worker was correct in the initial determination
  - The State's error rate or number of payment error cases discovered by QC must not be a factor in the performance rating for reviewers

Involvement of the State Agency Local Office:

The following actions involving the State agency local office, which are not all inclusive, are examples of activities that produce an unacceptable bias in the QC system:

- Prior knowledge by the local agency of cases scheduled for review, resulting

in the agency's intentional or unintentional treatment of these cases in a special manner making the sample results unrepresentative of the whole caseload

- The State or local agency adding documentation to, removing documentation from, and/or altering documentation from the official record of a sampled case

  Exception: An exception to this rule exists when the State or local agency adds documentation to the file that is the result of efforts by an eligibility or certification worker to gain the cooperation of a household after being appropriately requested by QC.

  Exception: An exception to this rule also exists for normal case management functions that will not impact the documentation pertaining to the review and review timeframes under examination.

- An eligibility or certification worker contacting a QC sampled household or collateral contact:

  - To obtain additional information in an attempt to clarify the household's circumstances
  - Get statements to alter the findings of the QC reviewer, or
  - Coerce the household into saying or doing anything that might misrepresent the household's circumstances

- The State or local agency asking or coercing a household or collateral contact to engage in any activity (such as not participating in the QC sample month and the two consecutive months) for the purpose of gaining a desired case disposition or finding in a QC review
- Requesting information from collateral contacts or non-household members in such a way as to encourage the person to not cooperate or not provide the requested information
- Reducing the household's allotment for the sample month because of an apparent overpayment on a sampled case
- Local offices should not review the cases, make the changes that would affect the eligibility or benefits for the cases, or contact the household or a collateral contact prior to the QC review being conducted in order to make any changes to the case once the sample is pulled/selected

  - This does not apply to routine case management changes such as filing household reports, acting on reported changes, issuing notices of expiration, or conducting recertification interviews. Normal case management activities should not be initiated or undertaken at an accelerated pace in order to affect the cases under review

- Contacting the eligibility or certification worker responsible for

administering the case selected for QC review. This also includes contacting any additional eligibility or certification staff who participated in the certification action under review

> **Exception:** This does not apply for a situation where the QC reviewer needs assistance from a local office to locate, or gain the cooperation of the household. In such situations, contact must be strictly limited to locating the household or gaining its cooperation with the QC reviewer and any documents produced or used to gain the cooperation of the household must be included in the case file.

- Contacting the eligibility or certification office responsible for administering the case about any reports shared with QC prior to submitting completed cases to FNS.
- Reviewing cases with the intent to mitigate or lower the error of a sampled QC case

Reviewers must apply policy in accordance with Federal Regulations, FNS policy, QC policy, QC handbooks, and QC memorandum, options selected by the State, and active waivers during the review of each individual case.

The same policy must be applied to all cases consistently within the State and not on an individual basis regardless of whether or not the policy makes the case correct or incorrect.
This ensures every household is treated equally. The reviewer must:

- Fully document their findings
- Explain the basis for their findings in each individual element
- Show all computations and results
- Attach copies of verification to support their findings for both active and negative cases, and
- Ensure all facts are evident in the case

State QC can contact State policy staff for clarification about general SNAP policy, however case specific information cannot be discussed, including, but not limited to, the case number, client's name(s), or details about variances in the case that would allow someone to identify the household under review. The State QC reviewer may not discuss their case findings with an eligibility worker, policy official, or a third party in a manner that can be construed as attempting to mitigate an error case finding. This means the communication with such persons must be limited to a clarification of the policy involved in the case. The reviewer should not discuss how the policy clarification can alter the findings of the case nor indicate how the policy clarification can be used to resolve an apparent error in the case being reviewed. Any clarification obtained for a specific case that is used to substantiate or decide the case must be fully documented in the case file.

The purpose of the QC System is to determine the correct eligibility and benefit level of each case. Whether a case is correct or in error, the reviewer must establish the facts of the household and make their determination based upon those facts. When required verification cannot be obtained, the reviewer must explore other evidence to arrive at a likely conclusion when possible. In the context of the overall case record, the reviewer must review the eligibility worker's actions and previously verified evidence.

The State reviewer must document the steps taken and the results of the steps taken to verify each element. The reviewer has to document how any alternate information helps support the reviewer's determination. The intent of Section 442.3 in the 310 Handbook "Likely Conclusion" is not to be used as a mechanism for dropping cases by purposely introducing extraneous information that cannot be verified.

Once the QC findings are provided to the State agency, additional information developed to contest the federal finding either through informal resolution or arbitration must be verified in order to be considered. Unverified information must not be considered and cannot be used to code the case either as "incomplete" or "NSTR."

Second-Party Reviews: If a State elects to implement second party review procedures, the following actions, which are not all inclusive, are examples of activities that produce an unacceptable bias in the QC system:

- Applying second party reviews only to error cases
  - Subjecting only error cases to additional scrutiny introduces bias by treating them differently from cases not found in error
- Emphasizing the reduction of payment errors, rather than the accuracy of the findings
  - Modifying reviewer findings to offset an error or hide household circumstances from the QC case file violates program rules
- Treating error cases differently from non-error cases
  - Using different processes to verify household composition, income, deductions, or other information to offset or mitigate an error violates program policy

Error Review Committees: The role of an error review committee is to review cases for the purpose of future corrective action planning. Committees operate most effectively when they include representatives from QC, policy, and technical staff responsible for eligibility systems. This provides a variety of perspectives on the root

causes of errors identified through the QC process.

Future errors may be prevented during the eligibility and benefit determination process when the State agency uses this information through:

- Identifying error trends
- Utilizing training
- Implementing process improvements or technology to prevent future errors from occurring based on the root causes identified through the quality control process

Any process, discussion, and/or activity designed with the intention of fixing or mitigating errors in cases currently under review in order to artificially adjust the State's error rate are not an appropriate use of the error review committee and is an unacceptable practice:

- This applies to whether or not formal committees are established
- QC reviews may only be discussed for future corrective action planning after case results have been transmitted to FNS
- QC reviews may not be examined in order to mitigate error findings prior to releasing case results to FNS
- Conference calls or meetings with a contractor consultant to discuss individual sampled cases must be documented, including any action taken by the State within the case file
- FNS reserves the right, upon request, to participate in any conference calls, meetings, and review emails between the State and any vendor in which individual sampled cases are analyzed

Third Party Contractors: If a State elects to procure services of a third party contractor to help assess quality control processes, provide policy training, or manage any project that involves the interpretation of FNS regulations, policies, or handbooks; the State must ensure that all activities and deliverables performed by the third party contractor adhere to Federal regulations and policy.

- Activities performed or deliverables provided by a third party contractor that are not in accordance with Federal regulations or policies are unallowable SNAP administrative expenses and are not eligible for Federal reimbursement
- If a State intends to hire or already has in place an existing contract with a third party contractor to train quality control reviewers regarding SNAP regulations, policies, or handbooks to improve payment accuracy; FNS requires the following procedures.

    - The State must notify FNS in writing of its intent to hire a contractor at least 30 calendar days prior to entering into a contract
    - The State must submit to FNS a copy of the contract and supporting

documentation that outlines all tasks and deliverables to be performed by the contractor
- The State must submit to FNS a copy of all deliverables provided by the contractor
- The State must notify FNS of any training sessions led by the contractor, including the date, time, and location, at least 10 days in advance of the training. FNS reserves the right to attend any training session without prior notice
- If the State schedules conference calls or meetings with the contractor to discuss individual sampled cases, the State must document the discussion and any action taken by the State within the case file. FNS reserves the right, upon request, to participate in any conference calls, meetings, or emails between the State and the contractor where individual sampled cases are analyzed

Failure to adhere to FNS policies and procedures related to error review committees or supervisory reviews introduces bias into the QC system, and is unacceptable.

160 QC UNIVERSE. (Refer to FNS Handbook 311.) Statistical samples of SNAP cases are selected for QC review.

There are two universes from which the cases are selected:

- Active Case Universe, and
- Negative Case Action Universe

Unless FNS determines they may be excluded, the following must be included in the selection and review process:

- Households correctly classified for participation under the rules of an FNS-authorized demonstration project, and

- Households participating based on SNAP applications processed by the Social Security Administration

Note: Households may be selected more than once during the review period.

170 ERROR ANALYSIS. (Refer to Chapters 6 and 12.) Using QC review procedures in this handbook and based on verified information, the reviewer must determine if each completed active case was eligible and whether it received the correct amount of benefits. A household may be over issued or under issued benefits.

Through a review of negative case actions, the reviewer must determine whether the State agency's decision and procedures to deny, to suspend, or terminate the household, was correct as of the review date.

180 FORMS AND REPORTING. Refer to Chapter 12 and Appendices B, C, and D.

181 Active Cases. For each active case, the State agency must complete Form FNS-380, Worksheet for SNAPs Quality Control Reviews, and a Form FNS-380-1, Review Schedule. (See Chapter 3 for cases not subject to review.)

181.1 Form FNS-380. (See Section 323 and Appendix B.) The reviewer must use a Form FNS-380 to:

- Record information from the case record
- Plan and conduct the field investigation
- Document verification of each element
- Record findings, and
- Document how their determination substantiates the eligibility determination and benefit level, or results in a variance

States have the option of using the Federal form (paper or automated) or an FNS Regional Office approved State-designed form.

Form FNS-380 consists of a face sheet, a worksheet and a computation sheet to determine the correct benefit level.

It will be necessary to supplement Form FNS-380 with additional forms to support documentation on the FNS-380 and verification of the review.

Examples include: State forms for appointments, interoffice communications, release of information, etc.

181.2 Form FNS-380-1. (See Chapter 12 and Appendix C.) Information from Form FNS-380 is used to complete Form FNS-380-1. Data from Form FNS-380-1 is released to the SNAP Quality Control System (SNAP-QCS).

Form FNS-380-1 is completed for all active cases. Cases processed by a Social Security Administration worker and cases that are part of an exempted demonstration project have a separate case classification so that any errors may be excluded from the case error rate, payment error rate and underissuance error rate.

Non-excluded variances that directly contribute to the error determination (i.e., ineligibility or an overissuance or underissuance) must be coded and reported in Section 2 of Form FNS-380-1. The reviewer must list all such variances (primary first) by element and indicate the cause of the variance. A State at its option may require other variances to be reported in Section 7.

Concerning the SNAP-QCS, there are six protected fields that cannot be edited after Federal subsampling:

- Item 6 - Stratum
- Item 7 - Disposition
- Item 8 - Findings
- Item 9 – SNAP Allotment under Review
- Item 10 - Error Amount
- Item 11 - Case Classification

The State Agency may request that the FNS Regional office edit these fields prior to Federal subsampling. Cases originally coded not completed or not subject to review can be completed at any time until the end of the reporting period when a request is made by a State through the FNS regional office. Supporting verification must be provided to the region at the time of the request.

182 Negative Cases. (See Chapter 13 and Appendix D.) For each negative case in the sample, the State agency must complete a Form FNS-245.

190 DISPOSITION TIMEFRAMES. Each case selected in the samples of active and negative cases shall be accounted for by classifying it as:

- Completed
- Not Completed, or
- Not Subject to Review

Within 115 days of the end of the sample month all cases (100%) selected in a sample month must be disposed of and the findings reported to SNAP-QCS.

By 115 days after the end of the annual review period all cases, including cases where a household refused to cooperate, must be disposed of and the findings reported to SNAP-QCS.

A case must not be reported as "not completed" solely because the State agency was unable to process it in accordance with these reporting requirements.

- The State agency must submit a report to FNS that includes:
    - An explanation of why the case has not been disposed of
    - Documentation describing the progress of the review to date, and
    - The date by which it will be completed
- FNS makes the determination whether the case is considered overdue based on the report.

Chapter 2
BASIC REVIEW PROCESS

200 GENERAL. This chapter outlines procedures for conducting reviews of active cases. It also provides information on certification systems, household reporting requirements and the focus of QC reviews.

210 REVIEW PROCESS. The following are general steps to be followed in the review process for all active cases.

211 Determine the Correct Systems. (Refer to Section 220.) The reviewer must examine State procedures and the certification record to determine for the sample month whether the household should have been:

- Subject to prospective or retrospective eligibility
- Subject to prospective or retrospective budgeting
- Subject to the certified change reporting with option of reporting $100 change in earned income - or certified change reporting with option of status reporting, monthly reporting, quarterly reporting, simplified reporting, or an approved waiver (Refer to Section 223.)

212 Review the Certification Record. (Refer to Chapter 3.) The reviewer must review the certification record to determine what action was taken on the case by the agency.

213 Conduct a Field Review. (Refer to Chapters 4 and 5.) During the field review, the reviewer must interview the household or, when appropriate, the authorized representative and obtain verification from collateral contacts.

NOTE: If the Authorized Representative (AR) is acting to fulfill the requirements of the personal interview, they would not also be able to be one of the collateral contacts that is required to be produced during this interview. The AR would, essentially, be acting in the capacity of the client and would therefore be an inappropriate collateral contact.

214 Determine Which Variances to Include. (Refer to Chapters 6-11.) If a difference exists between the information used by the agency and the verified information obtained by the reviewer for eligibility or allotment purposes, the reviewer must determine if the variance is included or excluded for QC purposes.

214.1 There are two applicable QC error threshold comparisons. (See Chapter 6.)

- The QC verified allotment for sample month is compared to the authorized allotment (Comparison I)
- The QC verified corrected eligibility budget (including any required corrections) is compared to the authorized allotment (Comparison II)

If the difference is less than or equal to the QC error threshold amount; any variance(s) must be included, but the error amounts are excluded from the State's official error rate determination (See Appendix A).

214.2 Variances resulting from the use of incorrect information at the time of certification or recertification must be included. This applies to all elements. It applies to each income source and to total income.

Some variances, due to reporting requirements or processing time considerations, are excluded. Variances that result from a change in circumstances that should have been effective, as of the review date (AORD), must be included. (See Chapter 7.)

215 Determine the Correct Amount of Benefits. The reviewer must use verified information to determine if the household was eligible and to calculate the correct benefit amount for the sample month. The reviewer also must use verified information when determining a corrected EW budget and calculating the correct allotment when the sample month allotment exceeds the current fiscal year (FY) error threshold. (See Chapter 6.)

216 Determine the Cause of Errors. If the case was ineligible or received an overissuance or underissuance of benefits, the reviewer must identify the variance(s) that caused the error and determine if it was caused by the household or the State agency.

217 Validation and Reporting of QC Findings. (Refer to Chapter 12 and see Appendices B and C.) The reviewer must complete:

- The QC worksheet (Form FNS-380) to record verification of all elements for positive reviews, including the worksheet computation sheets, and
- The review schedule (From FNS-380-1) for coding case information

220 CERTIFICATION AND REPORTING SYSTEMS. The reviewer must determine which eligibility, budgeting and reporting systems should have been used for each household based on the State agency's selection of regulatory options and individual household circumstances.

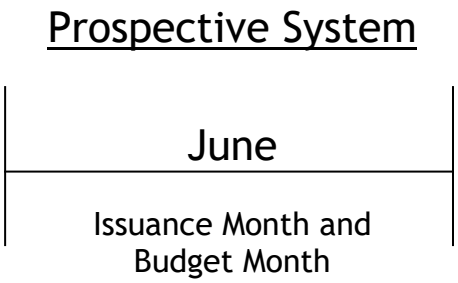
221 Eligibility. Each household's eligibility for participation in SNAP is based upon its financial and certain nonfinancial circumstances for each month of participation. There are two ways of looking at a household's circumstances:

- **Prospectively.** Determining a household's eligibility prospectively requires the agency to anticipate the household's circumstances for each month of participation based, upon existing circumstances that are expected to remain the same and changes in existing circumstances that are reasonably certain to occur, and
- **Retrospectively.** Determining a household's eligibility retrospectively requires the agency to use known circumstances from a previous month. A State may have a one-month or a two-month retrospective system

In either a prospective or a retrospective system, a household determined eligible for participation is authorized to receive an allotment for a specific month called the issuance month or for a series of months referred to as the certification period.

222 Budgeting. The amount of SNAP benefits a household is entitled to receive during an issuance month may also be determined (or budgeted) prospectively or retrospectively. This system may be the same as or different from the eligibility system.

222.1 Prospective. Prospective budgeting requires the agency to anticipate what a household's circumstances will be during the issuance month based upon existing circumstances and expected changes. As illustrated below, the budget month is the issuance month.



222.2 Retrospective. Retrospective budgeting requires the agency to use circumstances from a prior month to determine the benefits a household should receive for the issuance month. As illustrated below, the budget month may be the month two months prior to the issuance month or the month preceding the issuance month.

Two-Month Retrospective System

April	May	June
Budget Month	Processing Month	Issuance Month

One-Month Retrospective System

May	June
Budget Month	Issuance Month

223 Change Reporting. Households are required to report changes to the State agency after the certification action to ensure eligibility and allotment levels remain accurate. A household may be subject to:

- Certified change reporting with the $100 change in earned income reporting option
- Certified change reporting with the status reporting option
- Monthly reporting
- Quarterly reporting
- Simplified reporting or
- Reporting in accordance with an approved waiver with the option chosen by the State agency for reporting income

If the State agency receives unclear information about household circumstances during the certification period, it must evaluate and act on it, as appropriate, per certification policy requirements. Unclear information is information about household circumstances that the State agency cannot readily determine the effect on the household's continued SNAP eligibility or benefit amount. This includes information that is verified, unverified, from the household, or from a third party data match. If the State receives information that is verified and the effect on the household can be readily determined, then it is not considered unclear information and the State must act on it.

For all households, regardless of the reporting system to which the household is assigned, the State must act to follow up on unclear information by sending an Request for Contact or Notice of Match Results if the information: 1) significantly conflicts with the information used to certify the household (meaning the information

used to certify was incorrect); or 2) is something the household was required to report based on its assigned reporting system and less than 60 days old based on the current month of participation; or 3) if the information is from a deceased or prisoner matching system (described by certification policy rules). If the information does not meet this criteria it should be held until the next scheduled contact. Information in which the State agency did not act upon that was allowed to be held until the next required household contact (periodic report or recertification, whichever came first) cannot result in an included variance in the QC error determination (See Chapter 7.)

223.1 Change Reporting/Prospectively Budgeted (Certified Change Reporting with the $100 Change in Earned Income Reporting Option).

Households subject to change reporting requirements are required to report changes in circumstances, within 10 days of the date the change becomes known to the household. However, State agencies may opt to require households to report changes as early as within 10 days of the date the household becomes aware of the new employment, within 10 days of the date the employment begins/stops or within 10 days of the date the household receives the first paycheck attributable to the change, or by the 10th of the month following if the State has an approved waiver. Reportable changes include the following:

- Change in the sources of income, if the change in employment is accompanied by a change in the amount of income
- Change of more than $100 in unearned income, except a change in a public assistance grant (or general assistance grant if the grant and SNAP allotment were jointly processed)
- Change in the amount of earned income of more than $100 a month from the amount last used to calculate the household's allotment
- All changes in household composition including:

    - Changes in residence and the resulting change in shelter costs
    - The acquisition of a licensed vehicle, the value of which is not fully excludable according to certification policy, or
    - When liquid resources reach or exceed the resource limit

- Changes in the legal obligation to pay child support. However, the State Agency may remove this requirement if it has chosen to use information provided by the State's Child Support Enforcement (CSE) agency in determining:

    - A household's legal obligation to pay child support
    - The amount of its obligation
    - Amounts actually paid
    - For able-bodied adults subject to time limit, any changes in work hours that bring an individual below 20 hours per week, averaged monthly

The QC reviewer must consider a change reported when it is reported to either SNAP or Temporary Assistance for Needy Families (TANF) unit. (See Section 740 for mass changes.)

223.2 Change Reporting/Prospectively Budgeted (Certified Change Reporting with the Status Reporting Option). Households subject to status reporting requirements are required to report changes in circumstances within 10 days of the date the change becomes known to the household. However, State agencies may opt to require households to report changes as early as within 10 days of the date the household becomes aware of the new employment, within 10 days of the date the employment begins/stops or within 10 days of the date the household receives the first paycheck attributable to the change, or by the 10th of the month following if the State has an approved waiver. Reportable changes include the following:

- Change in the source of income if the change is accompanied by a change in income
- Changes in wage rate or salary or employment status (part-time to full-time or full-time to part-time)
- Change of more than $100 in unearned income, except a change in a public assistance grant (or general assistance grant if the grant and SNAP allotment were jointly processed)
- All changes in household composition
- Changes in residence and the resulting change in shelter costs
- The acquisition of a licensed vehicle, the value of which is not fully excludable according to certification policy
- When liquid resources reach or exceed the resource limit
- Changes in the legal obligation to pay child support. However, the State agency may remove this requirement if it has chosen to use information provided by the State's CSE agency in determining:

    - A household's legal obligation to pay child support
    - The amount of its obligation, and
    - Amounts actually paid

- For able-bodied adults subject to time limit, any changes in work hours that bring an individual below 20 hours per week, averaged monthly

223.3 Monthly Reporting. Households subject to the monthly reporting requirements must submit complete reports on a monthly basis. These households may, but are not required to, submit changes outside the monthly report.

223.4 Quarterly Reporting. Households subject to quarterly reporting are required to file a complete quarterly report by the filing date specified on the report. At the State agency's option, households may be required to report:

- All of the eligibility factors on the quarterly report form, or
- Some of the eligibility factors on the quarterly report form (other changes are reported using a change report form)
- However, all households subject to time limits for able-bodied adults must report whenever their work hours fall below 20 hours per week averaged monthly

Options may vary from state to state. The QC reviewer must review in accordance with the option chosen by the State agency.

223.5 Simplified Reporting. Households subject to simplified reporting are only required to report changes that cause the household's gross monthly income to exceed 130% of the poverty income guideline for the household size. However, households subject to time limits for able-bodied adults must report whenever their work hours fall below 20 hours per week averaged monthly. State agencies have the option to allow households to either report changes within 10 days of the date the change became known to the household **or** 10 days of the end of the month in which the change occurred. In other words, States can choose for households to report either 10 days before the end of the month **or** 10 days after the end of the month.

Whichever option the State chose, it must have been applied consistently for all cases.

The QC reviewer must consider a change reported when it is reported to either SNAP or TANF unit. (See Section 740 for mass changes).

223. 6 Transitional Benefits. Households certified for transitional benefits are not subject to reporting requirements during the transitional months. The State agency may adjust transitional benefits in the following circumstances:

- Information is reported from another State or Federal means-tested program in which the household participates
- Automatic annual changes in SNAP benefits rules, such as annual cost of living adjustments, and
- The State agency has opted to act on these changes

230 QC REVIEW FOCUS. Certification actions and the authorized allotment are reviewed at a specific point in time. In QC, this is generally called "as of review date" (AORD).

231 Certification Errors. The QC review of any active case is based upon an examination of the benefits authorized for the household for the sample month.

The QC system disregards errors made during the issuance process. States have direct liability for issuance errors. Therefore, it is not the benefit amount that is actually issued which is subject to QC review, but rather the benefit amount authorized through the certification process.

Determining eligibility and calculating the benefit amount are certification functions.

- In States where these functions have not been computerized, the benefits authorized on the worksheet shall normally be reviewed by the QC reviewer
- In States where an automated computer system determines a household's eligibility and benefits, the QC reviewer shall review the case based upon the information stored in the computer

In reviewing the authorized allotment, the reviewer must examine the actions of the EW, including any documentation supporting the amount of benefits authorized.

232 Allotment Amount. The full amount of the issuance month's benefits including those supplements for the sample month (See Section 233) must be reviewed and reported as the allotment in Section D of the face sheet on Form FNS-380 (See Appendix B).

232.1 Causes for Amount Authorized and Issuance Amount to Differ. The following are examples of instances when the amount authorized will differ from the amount issued, and how QC reviews each scenario. The reviewer must always document these situations and explain the reason for their determination of the amount under QC review.

- Recoupments to recover prior SNAP overpayments

Example of a recoupment: If $10 was recouped from a $100 authorized allotment and a $90 allotment was issued, review the $100 amount.

- Benefits voluntarily returned by the household when there was no claim

Example of voluntarily returned benefits: If a household was authorized a $100 allotment and it returned $50 in benefits, review the $100 amount.

- Claim collections for prior months or the issuance month

Example of a collection of a prior claim: If a household was authorized a $100 allotment and it repaid $25 on a claim, review the $100 amount.

- Restored benefits

Example of a restored benefit*:* If an allotment was authorized for $150 which included a $100 allotment for the sample month plus $50 to correct an error four months ago, review the $100 amount.

- Retroactive benefits for prior months

Example of a retroactive benefit: If an allotment was authorized for $150 which included a $100 allotment for the sample month and a $50 allotment for the month of application, review the $100 amount.

- Actions taken subsequent to the sample month

Example of a subsequent action: If a $100 allotment was authorized in the sample month and $20 in restored benefits were authorized in the following month, review the $100 allotment.

- Supplement issued after QC sampling

Example of a supplement not included: If a $100 allotment was authorized for the sample month and a $20 supplement was subsequently authorized within the sample month but after the case was selected for QC review, review the $100 allotment.

232.2 Non-Compliance with Other Means-Tested Programs. The QC reviewer must review the full amount of the benefits authorized for the sample month making any necessary adjustments based on instructions in Section 232.1.

The benefits of a household receiving public assistance may be reduced under a means-tested public assistance program for failure to perform a required action or for fraud. The State agency must not increase the household's SNAP allotment as the result of the decrease in income.

In addition to prohibiting an increase in SNAP benefits, the State agency has the option to impose a penalty on the household’s SNAP allotment. The reduction must represent a percentage of the SNAP allotment that does not exceed 25 percent.

- If the State applied an optional percentage reduction, the allotment would have the percentage reduction already deducted
- If no penalty was applied, the allotment would not have penalty deducted.

The following examples are the three possible situations that can occur for State agencies that have chosen to apply a reduced SNAP allotment penalty when an individual has failed to take a required action in another means-tested public assistance program.

- The State agency applied the penalty. Review the allotment authorized, in which the penalty has been applied

Example of an applied penalty: The household was originally eligible to receive $120 but was authorized $100 after the penalty was deducted. It is the $100 allotment that is subject to QC review.

- The State agency knew of the household's failure to take a required action in the other means-tested program and did not apply the penalty but should have applied the penalty. Review the allotment authorized. In determining the error amount in this case, apply the penalty that the EW should have deducted

Example of a penalty that should have been applied, but was not: The household was authorized $120. A $20 penalty should have been applied. The allotment subject to review is $120. In the process of determining the error amount, deduct the $20 penalty as the last step in column 2 of the computation sheet. This will result in a variance including the penalty amount that should have been used by the EW. Compare the $100 in column 2 to the $120 in column 1. The result is a $20 overissuance. If QC is required to proceed beyond Comp I, the $20 penalty must be deducted in the final error determination as well.

- The State agency did not know of the household's failure to take a required action in another means-tested program so the State agency did not apply a penalty. Review the allotment authorized. Since the agency was not aware of the failure to take a required action in the other program there was no way to apply the penalty. For this situation, do not apply the penalty in the error determination process. Do not deduct the penalty as the last step in column 2, or in the final error determination

Example of a penalty that was not applied and did not have to be: The household was authorized $120. Use the $120 as the allotment under review. Do not apply the penalty in establishing the error amount for this case.

233 Review Date. In no case is the review date the day the QC review is conducted. The allotment authorized as of the review date (AORD) shall be the benefits subject to review.

The review date for active cases means a day within the sample month, either the first day of the sample month or the day a certification action was taken to authorize the sample month's allotment, whichever is later.

Certification actions include:

- Initial certifications or recertification's completed during the sample month
- Changes in the allotment that the State agency authorized before the day on which the case was sampled

Example of a change in the allotment before sampling: On September 30, the State agency changed the household's October allotment, from $105 to $138. Quality control sampled the household on October 1 for the October sample month. Quality control will review the $138 allotment, because the State agency changed the allotment before the day of sampling.

- Changes in the allotment that the State agency authorized on or after the day on which the case was sampled, providing the State agency processed the change(s) in a timely manner, in accordance with certification requirements, and the change(s) were reported by the household before the day on which the case was sampled

Example of a change after sampling, but processed timely: A monthly reporting household had a baby born on September 22. The household reported the birth on September 25. On September 28, quality control sampled the household for October. On September 29, the State agency changed the household's October allotment, from $199 to $269. Quality control will review the $269 allotment because the State agency processed the change in a timely manner as mandated by certification requirements.

Another example of a change after sampling, but processed untimely: On March 3, a household member left a change reporting household. On March 20 the household reported the member's departure. The State agency did nothing. On August 3 quality control sampled the household for August. On August 5 the State agency changed the household's August allotment, reducing it from $470 to $414. Quality control will review the $470 allotment, because the State agency changed the allotment after the sampling date and did not process the change in a timely manner in accordance with certification requirements.

- Supplements that the State agency authorized before the day on which the case was sampled. Such a supplement is part of the allotment that is subject to review

Example of a supplement authorized before sampling: A household applied in January and reported semi-monthly income of $350 ($700 monthly). The State agency certified the household but treated the income as biweekly ($752.50 monthly). On April 20, the State agency discovered its mistake at a recertification interview, and on the same day authorized restored benefits for the previous months and a $15 supplement for April. Quality control sampled the household on May 2 for April. Quality control will include the $15 supplement because the State agency authorized it before sampling.

Another example of a supplement authorized before sampling: A household was subject to change reporting and prospective budgeting. The sample month was August, and the household received its regular allotment on August 2. On August 3, the State agency discovered that they had failed to give the household an earned income deduction, so they authorized a $28 supplement. On August 6, quality control sampled the household. The reviewer will include the $28 supplement because the State agency had authorized the supplement before the sampling date.

- Supplements the State agency authorized on or after the day on which the case was sampled if the State agency processed a change in a timely manner, in accordance with certification requirements, that was reported by the household before the day on which the case was sampled

- If a State agency authorized a supplement on or after the day on which the case was sampled and did not process a reported change in a timely manner as dictated by certification requirements, the supplement is not part of the allotment that is subject to review

Example of a reported new member of the household: A household was subject to change reporting and prospective budgeting. The sample month was April. On February 25, the household reported the birth of a child. The State agency took no action on the reported change. The household received its April allotment on April 1. Quality control sampled the household on April 4. On April 7, the State agency discovered its mistake and authorized a $78 supplement to compensate for the improperly treated household member. The reviewer will not include the $78 supplement, but will include the new member because the local office did not process the reported change in a timely manner as mandated by certification requirements.

- If a State agency pulls its QC sample prior to the sample month, and a household reports a new member on or after the sampling date, but prior to the first day of the sample month, QC must:
  - Examine the addition of the new household member to determine if it was properly handled
  - Not include the supplemental allotment (or change in regular allotment) itself in the allotment subject to review

Example of a reported new member of the household: A household was subject to monthly reporting and retrospective budgeting in a two-month system. The sample month was June. On May 30, quality control selected the June sample. On May 31, the household reported the birth of a baby, so on June 10 the State agency authorized a supplement of $89. The $89 supplement would not be reviewed and the new member would not be included in the error determination process because the household reported the change after the date the case was sampled.

If verification was provided prior to the end of the issuance month, a supplement should have been authorized in the issuance month. (See Section 722.4 for direction on determining variances relative to adding new members.)

Chapter 3
CASE RECORD REVIEW

300 GENERAL. This chapter provides guidance on conducting a review of the household's case record, including documentation of verification contained in the case record. It also identifies cases that are not subject to review.

310 PURPOSE OF CASE RECORD REVIEWS. The purpose of active case reviews is to:

- Identify the status of each element of eligibility and benefit calculation as documented by the agency
- Determine the amount of the allotment authorized for the sample month's issuance, and
- Identify any variances resulting from misapplication of policy by the agency

320 PROCEDURES FOR CASE RECORD REVIEWS. Case record reviews consist of:

- Reviewing and analyzing the household's certification record
- Reviewing verification and documentation, and
- Recording the findings on Form FNS-380

QC must include all case record documents that impact the sample month benefits in the QC case record. This includes, but is not limited to:

- The application for certification or recertification
- Documentation from the last application/reapplication and any interim changes
- All case forms, and household notices
- All verification documents obtained from the client and all collaterals
- Comments/narratives
- Reports
- Screen shots for eligibility, issuance and participation, and
- Imaged documents

321 Household Issuance Record. The reviewer must review the household's issuance record(s) and determine if the household participated in the sample month. This is performed to determine if the household is participating in order to rule out cases that are not subject to review.

The reviewer must compare information on household size, the certification period and the allotment contained in the issuance records to that in the certification file

and must report any differences to the agency for corrective action on an individual basis.

321.1 Online EBT. For “online” EBT systems where the account memory is held in a central computer system, participation has occurred when the sample month benefits are posted to the account.

Exception: The household is not considered to have participated in the sample month if the household has not accessed the account to withdraw/purchase food at any time in the three-month period which includes the sample month and the two consecutive months immediately after the sample month. This means the account was dormant. Under these conditions, the review process stops because the case is not subject to review (NSTR). This must be documented in the QC review narrative summary.

321.2 Smart-Card EBT. For "Smart Card" EBT systems, the card’s memory chip contains the benefit information and must be updated each month. Participation has occurred when the card is presented for update for the sample month.

Exception: The household is not considered to have participated in the sample month if the household has not presented the card for updating and has not accessed the account to purchase food at any time in the three-month period, which includes the sample month and the two consecutive months immediately after the sample month. Under these conditions, the review process stops because the case is not subject to review (NSTR). This must be documented in the QC review narrative summary.

322 Certification Case Record(s). The reviewer must review the SNAP certification case record(s) and, as applicable, the Public Assistance (PA) case record(s). This includes, but is not limited to analyzing:

- Household circumstances
- Reported changes
- Certification actions
- Case notes/narratives, and
- Verification and documentation

QC may also review general assistance, Medicaid and other available records if applicable.

If the reviewer is unable to locate any pertinent records, the reviewer must attempt to extrapolate the needed information from the certification record and record the findings accordingly on Form FNS-380. The FNS-Form 380 must be documented in

sufficient detail and must provide enough information so as to clearly establish the information and how the information was determined.

322.1 Household Circumstances and Certification Actions. The reviewer must review all information applicable to the case as of the review date (AORD), including, but not limited to:

- The most recent application
- The most recent recertification application
- The most recent periodic report
- Interim changes in effect AORD
- Case notes/narratives
- Case documents and verifications
- The eligibility worksheet, and
- Any documented changes in effect AORD

The reviewer must become familiar with the household's situation, identify the specific facts related to eligibility and the benefit amount, and document any deficiencies and misapplication of policy.

322.2 Documented Verification. The case record may contain documents or statements acceptable as verification for the review. In order for the reviewer to use the verifications in the case record, the verifications and documentation of verifications used by the eligibility worker must be:

- Accurate
- Not subject to changes
- Cover the appropriate time period, and
- Not questionable

Example: The eligibility case record contains a birth certificate (BC) of a 20-year-old daughter living in the household. The BC is considered accurate verification as an official public record, is not subject to change, and establishes facts that may be used for any time period. The BC can be used by the Quality Control Reviewer (QCR) to establish the daughter must be included in the SNAP household as she is under age 22.

Verification standards are outlined in Chapter 5 of this handbook. Case record verifications meeting those standards may be used in the applicable elements of the QC review. The QCR must fully document any verifications used in the appropriate element(s) of the FNS-380, meeting the requirements of Chapter 5 of this handbook for documentation. The QCR is not required to reverify this information during the field review but, again, must document the verifications used and relevant

information needed as it applies to the case and applicable elements on Form FNS-380.

323 Completion of Form FNS-380. (See Appendix B.) During the case record review, the reviewer must complete Form FNS-380 Column 2, Case Record Analysis. The information must be recorded in sufficient detail to enable another person to determine the facts of the case by reviewing Form FNS-380.

Documentation of Form FNS-380 must include all information that is utilized in the determination of the QC review. This may require documenting variances that will later be excluded due to, for instance, reporting requirements or State options and documenting verifications that will be used for the review.

323.1 Face Sheet. This is page one of the Worksheet for SNAP's Quality Control reviews. There are four sections:

- Section A - Provide identifying information in items 1 through 14 from information in the case record
- Section B - List persons living in the home identified in the case record
- Section C - List significant persons not living in the home associated with the household and identified during the certification of the household
- Section D - Complete review findings at the conclusion of the review

Note: Additional information may be added during the course of the review in Sections A through C before completing Section D.

323.2 Column 1 of the Worksheet - Elements of Eligibility and Basis of Issuance. A 3-digit code is used to identify each element. For reporting purposes, elements are listed in Column 1 of Form FNS-380. Elements on the worksheet are grouped together under four main groupings called program areas.

Program Area	Codes
Basic Program Requirements	100s
Resources	200s
Income	300s
Other	500s and above

323.3 Column 2 - Analysis of Case Record Information. The purpose of column 2, Case Record Information, of Form FNS-380 is for:

- The reviewer to record information contained in the case record, and
- To assist the reviewer in planning the field review

The reviewer must record case information relevant to the most recent certification action and changes acted on as of review date and must use all information applicable to the case AORD, including the application and eligibility worksheet in effect AORD. It is important for the reviewer to:

- Note any pertinent items or questions as well as any discrepant information
- Be aware of recorded factors which are subject to change
- Note the reliability of sources used
- Note any missing information

Reviewers will also use Column 2, Case Record information, in their field investigation to plan the field review, including to:

- Gain an understanding of the household situation, and
- Selectively highlight points to be considered and addressed in the field review

The information recorded in Column 2 must include the following:

- **Application Information.** The reviewer must record information provided by the household on the application by element. For elements that were left blank on the application but were required for an eligibility or allotment amount determination, the reviewer must document how the element was determined or, alternatively, that it could not be established how the eligibility worker (EW) arrived at the original determination.

Examples of recording information from the application:
Element 150 Household Composition: Application lists three - Jean Jones and her two children (Cheryl and Tom).

Element 221 Real Property: Application shows none.

- **Worksheet Information.** The reviewer must record the information contained on the certification worksheet/case notes and any worksheet information regarding incomplete actions for changes prepared by the EW. This would include documenting information that is incorrect or incomplete if that information was used, or appears to have been used, in the eligibility or benefit determination. This includes documenting any missing information as well or documenting if the reviewer could not determine how information was established by the EW.

Examples of recording information from the worksheet:
Element 344 PA: Application shows no PA. Worksheet shows PA payments of $400 a month.

Element 363 Shelter: Application and worksheet show monthly mortgage payments of $400.

Element 364 Standard Utility Allowance: Application shows monthly expenses of $10.50 electric, $25 gas and $12 phone. Worksheet shows household was entitled to $150 SUA.

- **Verification.** The reviewer must record verification documented in the case file and attach copies of documentary evidence. If there is missing verification from the certification record it must be documented accordingly on Form FNS-380.

- **Other Information.** The reviewer must record all other information from the case record relevant to the case AORD. This includes case history information that impacts the household's circumstances and changes that were reported or otherwise became known to the State agency.

- **Misapplication of Policy.** The reviewer must record any misapplications of policy such as:

  - Failure to use the correct income
  - Incorrect conversion factor
  - Allowing an earned income deduction for unearned income, or
  - Allowing a medical deduction for members who are not elderly or disabled
  - Mathematical and transposition mistakes

323.4 Computation Sheet. Complete Column 1, Eligibility Worker Information, by recording the income and deduction figures the EW used to compute the allotment for the sample month.

324 Ineligible Households. During the case review, the reviewer may determine and verify that the household was ineligible. The reviewer can stop the review at that point if the determination is based on information obtained from the

household. This provision does not apply for households eligible for the minimum or zero dollar allotment. If the information was not obtained from the household, the reviewer must:

- Resolve the difference to determine which information is correct
- Re-contact the household and discuss the difference, unless the household cannot be reached or refuses to cooperate

When resolving conflicting information, the reviewer must use his/her best judgment based on the most reliable data available and must document how the differences were resolved. Likely conclusion cannot be used to resolve conflicting information.

330 CASES NOT SUBJECT TO REVIEW. Certain types of cases should not be included in the QC sample. These cases are normally eliminated in the sampling process. However, if a reviewer receives a case that should not have been sampled, the following procedures must be used:

- Terminate the review at the point when a determination is made that the case is not subject to review
- Complete items 1 through 7 and items 68-70 of Form FNS-380-1
- A FNS-380 must be partially completed, including:
    - Identifying information and
    - Adequate documentation that the case meets the criteria as "not subject to review" (NSTR)

If these steps are not followed, the case will be considered an incomplete case.

Note: All cases meeting the criteria in Sections 331 through 338 must be coded as not subject to review.

331 Oversampling. Cases dropped as a result of oversampling are not subject to review.

332 Cases Listed in Error. Households listed in error as active cases are not subject to review. They include but are not limited to:

- Negative cases appearing in the active sample
- Households that did not participate in SNAP for the sample month, including suspended cases and those that were eligible for zero benefits before any recoupments were made. Households are considered to have participated if they meet the active case definition in Section 130. (See Section 321 for details regarding participation in Electronic Benefit Transfer type systems)

- Households that received restored benefits but were otherwise not participating based upon an approved application, and
- Households that received retroactive benefits for the sample month. This includes households that applied for participation in the sample month, but were not certified until the following month

333 Disaster Cases. Households certified under disaster procedures authorized by FNS because of a natural disaster are not subject to review.

334 Cases Pending a Hearing. Households appealing an adverse action are not subject to review when the review date falls within the time period covered by continued participation pending the hearing. This includes:

- PA cases certified under joint processing that are under appeal
- Jointly processed cases even if only the PA grant is under appeal, if SNAP benefits are frozen pending the decision on the PA appeal

Note: Even if the hearing decision has been rendered by the time of the review; a case remains not subject to review, if the hearing decision was pending as of the review date.

335 Intentional Program Violation (IPV) Cases. Cases are not subject to review if as of the date the case is selected for QC sampling:

- The case has been referred for investigation to the state's fraud investigation unit, and the investigation is scheduled to begin within 5 months of sampling
- The case is under active fraud investigation, or
- The case has a pending administrative or judicial IPV hearing

Scheduled - means that an actual date for the investigation to begin has been assigned.

Under active investigation - means that the fraud investigator has begun to actually explore the details of an apparent client caused overissuance. To be considered "active" the investigation must be in progress. It does not mean that the case has only been referred for investigation and accepted by the fraud investigation unit.

336 All Household Members Have Died. The case is not subject to review if all the household members who could be interviewed died before the review could be undertaken or completed. The availability of an authorized representative for interview does not make this case subject to review. Cases should be dropped as not subject to review if this situation applies. The reviewer must document dates of death and how death was verified in order to justify and verify dropping the review.

337 Household Moved Out of State. The case is not subject to review if all the household members who could be interviewed moved out of State and have not returned by the time the reviewer attempts to contact the household. The availability of an authorized representative for interview does not make this case subject to review. The reviewer must verify the facts of the move out of State and document when the client moved, where they moved, and the collateral source used to gather this information. If the information is not available, the reviewer must document how it was determined that the household moved out of State. Documented information is required in order to validate dropping the review as moved out of State.

338 Unable to Interview. Cases are not subject to review if the interview cannot be completed because all individuals who could be interviewed:

- Have been hospitalized, incarcerated or placed in an institution and are expected to remain there for 115 days after the end of the sample month, or
- Cannot be located after all reasonable efforts to do so have been made and documented as provided in Section 442.1

Chapter 4
FIELD REVIEWS

400 GENERAL. This chapter provides guidance on conducting field reviews in active cases. The two basic activities involved in a full field review are (1) interviewing the household and (2) making collateral contacts.

410 PURPOSE. The purpose of a field review is to obtain, verify and document all relevant information about the household's actual circumstances which relate to the household's eligibility and benefit level for the sample month's issuance. A full field review must be conducted for all active cases that are subject to review except as otherwise provided in this chapter or ineligible cases as provided in Section 324.

411 Alaska Cases. A full field investigation is not required for cases sampled in isolated areas of Alaska which are not reasonably accessible considering regularly scheduled commercial air service, available lodging and automobile or public transportation.

Examples:

- The area could be considered not reasonably accessible if the reviewer has to stay overnight because of airline schedules, and there is no suitable lodging
- The area could also be considered not reasonably accessible if the reviewer could not leave an area within a reasonable period of time after conducting the review. For example, the review(s) may take several hours but the reviewer would not be able to fly out for several days
- An area could also be considered not reasonably accessible if there is no available ground transportation such as rental cars or public transportation that would be needed to conduct a face-to-face interview

In such cases, at least one attempt to contact the household, by telephone for example, must be made and documented. Documentation of the phone number called, date and time called and person the reviewer spoke to must be included on the 380, Column 3 Review Findings.

The reviewer must document the outcome of the call. Examples of possible outcomes and what to document include, but are not limited to, the following:

- No answer to call
- Left a message
- Spoke to client and confirmed the household will keep the appointment or
- Spoke to client and household request rescheduling the appointment

- New date, time and place of interview when required to reschedule at client's request or due to a missed appointment

The review of such cases can then be completed by means of a review of the case record and by collateral contacts.

412 Information Sought. The reviewer must examine only those circumstances related to the household's eligibility and benefit level for the sample month's issuance. For example, the reviewer may not require that he/she be given access to a safe deposit box.

The time periods for which information must be sought and verified will vary depending on the household's eligibility, budgeting and reporting systems and whether income and expenses have been averaged or prorated.

Under no circumstances shall the reviewer question the household regarding the possibility of ineligibility due to an illegal drug conviction or possible status as a fleeing felon. This is to ensure safety for the reviewer and ensure quality control does not interfere with any ongoing law enforcement activities. (For details on this limitation of information sought, see the specific review procedures for disqualified household members in Section 848.)

413 Completion of Form FNS-380, Column 3 Review Findings of the QC Worksheet. During the field investigation, the reviewer must complete Column 3, Field Findings of Form FNS-380. The reviewer must document an analysis of each element. This includes documenting confirmation of information in Column 2, Case Record Analysis, which comes from the eligibility worker's budget. Reviewers are responsible for resolving inconsistencies of information discovered during the review and documenting the results in Column 3, Field Findings.

All mathematical calculations must be shown in detail in Column 3, Field Findings, for all elements that require a mathematical calculation, such as child care, medical, earnings and shelter costs, such as taxes and insurance paid other than monthly, etc.

414 Planning the Field Review. Prior to conducting the interview, the reviewer must review the case record to identify areas where particular attention is warranted, e.g., conflicts in information or gaps in information. To facilitate the field review, the reviewer must also identify elements which were accurately verified and documented in the case record; such as birth certificates, marriage license, and social security cards, and document them in Column 3 of Form FNS-380.

The reviewer must schedule and conduct a personal interview with the household or their authorized representative and obtain required verification from both client and collateral contacts. In no situation shall this be a local agency eligibility worker or other State employee.

FNS encourages the reviewer to send a certified return receipt letter to gain the household's cooperation and a copy of all appointment letters must be included in the review information transmitted to FNS.

415 Obtaining Verification. When adequate documentation of verification is not contained in the certification record (electronic file or hard copy in the case folder), the reviewer must obtain verification from collateral contacts. A collateral contact is a non-household member who can verify the actual circumstances for the element under review.

A collateral contact should not be a relative unless that relative is the source of the information and/or no other verification is available. The reviewer must document why no other collateral contact was available for the elements being verified by the relative.

- Example: The household resides in a home owned by the client's grandmother, and the client states they are not billed for rent. The client's grandmother is the only person with direct knowledge that she does not bill the client for rent; therefore, it is appropriate to use the grandmother as the verification source.
- Example: Bob applied for SNAP. He is employed by his father (a non-household member) and is paid in cash. No pay stubs are available. In this instance the father would be the best source of verification.
- Example: Bob's sister (a non-household member) provides child care while the household member works. The sister is the only source of verification available for the child care deduction.

For QC purposes, a collateral contact is a source of information that can be used to verify household circumstances. The reviewer should note those elements that require additional verification; and obtain and document the name, address, and telephone numbers of those sources from the household during the interview.

The reviewer must also obtain a signed release, if required by State privacy laws, from the household to access information. The dates of all contacts with clients or collaterals must be included in the documentation in Column 3, Field Findings. All documentation must be completed in the appropriate element to which it applies.

420 HOUSEHOLD INTERVIEW. The QC reviewer must conduct a personal interview for active cases subject to review to determine the identity of the applicant and whether the household did exist, and to explore household circumstances affecting the sample month's eligibility and allotment. The personal interview, depending on the circumstances of the case, may be a face-to-face interview, a telephone interview, or a video conferencing interview. The household interview method must be accurately documented on Form FNS-380-1, Item #69- QC Interview and all interview notes must be included in the case file and documented in each element on the FNS-380.

An interview is required for all cases except:

- Certain Alaska cases as provided in Section 411
- When the household is determined ineligible based on information furnished by the household as provided in Sections 324 and 441, or
- The household fails or refuses to cooperate as provided in Section 442.2

During the interview, the reviewer must obtain documentary evidence that the household has available in addition to other verifications necessary to completing the case such as:

- Utility bills, pay stubs, birth certificates, rent receipts, social security cards, and award letters
- A release from the household to obtain documentary evidence that is not available at the time of the interview
- Names, telephone numbers and addresses for all collateral contacts for additional verification. In no situation can this be the local agency eligibility worker that certified the case or has previously certified or assisted the household due to the potential introduction of bias in the QC process

In some instances, when the interview cannot be completed, e.g., all members who could be interviewed have died; the case is not subject to review as provided in Section 336.

- Example: The sampled review is a one-person household. The client died prior to the interview. The reviewer must document the date of death and how it was verified, such as on-line funeral home website noting the client's death, obituary from a newspaper, or statement from a non-household relative.

In situations where the interview cannot be completed, and subsequently, the review cannot be completed or is not subject to review, the reviewer must document why the review cannot be completed and verification of the circumstance making the review not subject to review or unable to complete. All attempts to complete the review must be documented in the QC review file transmitted to FNS.

421 Arranging Household Interview. The reviewer must notify the household prior to the interview that it has been selected as part of an ongoing review process for QC and that a face-to-face interview, with few exceptions, must be completed. The reviewer must make arrangements - which include date, time, and

location for the interview - and must inform the household of the type of information that the household will need to have available for the interview.

To assist in household cooperation, advanced contact with the household via telephone may be made prior to the interview date. The household can also be sent a certified letter informing them of the date, time and location of interview as well as what verification is required for the interview.

Documentation of all calls or attempted calls to the household, the phone number and dates called, as well as the results of all calls must be included in the documentation on Form FNS-380. Use of the certified letter as well as prior phone contact will assist States in increasing their completion rates.

422 Individuals Who Can Be Interviewed. The reviewer must interview one of the following individuals:

- The head of the household
- That head of household's spouse when the spouse is a member of the household
- Another member of the SNAP household under review who is knowledgeable regarding the household and actual household circumstances. This member must be able to identify the applicant, prove the household exists, know circumstances that affect eligibility and allotment, and provide documents along with the names, telephone numbers and addresses of collateral contacts, or
- The authorized representative designated by the household to make application for the program on behalf of the household. An authorized representative may not be interviewed if all household members who could be interviewed have died or moved out of State. (See Sections 336, 337 and 338.)

423 Location of Interview. The State agency determines the location of the face-to-face interview in most cases. For most reviews, the interview may take place at:

- The household’s home
- The local certification office, or
- Another location that is mutually agreeable to both the reviewer and the household

An office interview must be waived if requested by any household that:

- Is unable to appoint an authorized representative and has no household member able to come to the office because they are elderly or disabled, or
- Is unable to appoint an authorized representative and lives in a location not served by a certification office

The reviewer must not choose the certification office when that will inconvenience a household with:

- Inadequate public transportation
- No car
- Problems with child care
- Conflicting work hours
- Conflicting school hours

FNS encourages reviewers to interview households in their homes. A home interview can be important in determining whether the household lived at the address given. A home interview enables the reviewer to make visual observations of pertinent living circumstances that may require further clarifications and verifications.

Example: The household says there are no children in the home but there are several children present during the interview. There are also many toys inside and outside the home. The reviewer should explore possible household composition discrepancies and any other elements of eligibility and/or benefit determination.

Interviews should not take place in the home when there is a threat to the reviewer's physical safety if the household lives in a high crime area, or no one is at home during the day because of employment.

When the interview is to be held at locations outside the home, the household must be advised in advance what documentation it needs to bring to the interview, such as driver's license for verification of identity, pay stubs, utility bills, medical bills, social security cards, marriage license, etc.

Interviews cannot be conducted over the telephone except in Alaska under circumstances discussed in Section 411, or by an approved FNS waiver and in cases meeting the special circumstances addressed in Section 423.1.

423.1 Special Circumstances and Conditions Regarding Video Conferencing Personal Interviews. Under certain circumstances the personal interview between the reviewer and household representative can take place through the use of video conferencing equipment. This option is available to the State agency by waiver. The waiver does not require formal approval by FNS in order to be implemented. When the personal interview between the reviewer and household takes place through the use of video conferencing equipment the following procedures must be adhered to:

- The State agency is responsible for providing a secure link over which the video conference will be conducted

- The reviewer must inform the recipient that it is the recipient's choice whether the personal interview takes place via video conferencing or the traditional face-to-face interview. The reviewer cannot determine unilaterally that a video interview will be conducted. A household's preference to be interviewed by a method other than video-conferencing technology, of itself, may not be construed as a failure or refusal to cooperate with the reviewer
- With one exception, the reviewer shall not record the video interview, nor shall the State agency use a video interview for any purpose other than to fulfill the requirements of the SNAP Quality Control field review. The exception is that a screen "snapshot" may be taken, recorded, and printed of any documentation relevant to the review
- The reviewer shall be responsible for informing recipients prior to the video interview that it will not be recorded, stored, or used for any other purpose than the quality control review

424 Conducting the Interview. The following are procedures for conducting the interview with the household. See Appendix E for guidelines on interviewing techniques.

424.1 Opening the Interview. The reviewer must show proper identification and explain the purpose of the interview. Prior telephone calls and letters arranging the interview may have explained the purpose, but referencing the reason may be useful.

424.2 Dealing with Household Fears During the Interview. The reviewer should explain to the household that it and others were selected at random from a list of all households that received SNAP in the particular month. The reviewer should also say that the purpose of doing this is to find out if households are receiving the correct benefit amount. The reviewer may include a statement that the review is also to verify that the State agency is properly applying the SNAP rules and regulations. The reviewer should assure the household that all the information obtained from it and others will be safeguarded, that is, SNAP allows only certain authorized persons to review information about SNAP households.

424.3 Observation during the Interview. Observations should be made of such things as vehicles and evidence about household composition. For example, there are no toys or other evidence of young children when the household has stated there are some in the household and/or when the case record includes the existence of children in the household could warrant further inquiry.

424.4 Establishing Household Composition. Household composition must be established early in the interview process, because many of the questions to be asked depend on who is in the household.

424.5 Reviewer Inquiries. The reviewer must ask the household about each element and if there have been any changes as it applies to each household member. Thorough documentation of each element is required and must include the household's responses.

For example, in a two-person household of Mr. and Mrs. Jones with neither person exempt from work registration, the reviewer might ask, "Mr. Jones, did you work for anyone or were you self-employed during the month of October?" That question would be repeated for Mrs. Jones: "Did Mrs. Jones work for anyone or was she self-employed during the month of October?"

If the reviewer obtains conflicting information about the household's circumstances, the reviewer must resolve any inconsistencies by recontacting the household. The source(s) of the conflicting information may be the household, a collateral contact, or both. The reviewer must document how they determined the new information is correct and why the first statement was incorrect or incomplete. For example, if the household reported that it was paying $400 in rent and the landlord stated that the household was actually paying $600 in rent, the reviewer must ask the household to explain the inconsistency. The reviewer must document the correctness of the statement used. Follow up questions may be required.

424.6 Recording Household Statements. The reviewer must record the household's statements in column 3 Field Findings of Form FNS-380.

424.7 Verification. The reviewer must verify household information during the field review if the verification was not accurately and adequately documented in the case file.

Example of recording a household's statement: "Mr. Smith stated he worked for Charley's Choice Computers, 123 Main Street, 836-1234, during June and earned $300 a week gross. He received 4 paychecks in June. No one in the household received any other earned income in June. He said no one was self-employed during June. The client stated there had been no changes in his earnings or any other household member's earnings."

- **Reviewing Documentary Evidence.** The reviewer must review appropriate documentary evidence which the household has available. If the evidence available does not meet verification requirements additional evidence must be obtained. This must be documented as outlined in Sections 521, 522, and 523
- **Obtaining Collateral Contacts**. The household is the best source of names, addresses and telephone numbers of persons or sources that can verify household circumstances. Therefore, the reviewer must ask the household for this information but is not limited to contacts provided by the household.

- **Note**: If the household refuses to provide such collateral contacts, one of the two following procedures must, depending on State requirements, be followed:

    1. The reviewer must try to find collateral contacts by other means, gathering information from persons or entities with knowledge of the household circumstances.

       The reviewer must document all attempts to obtain collateral information as well as the outcome of the attempts to obtain verification by other collaterals including the collateral's name, phone number, address and dates contacted or attempted contacts and responses obtained from the collaterals, or

    2. If required by the State, the reviewer must obtain a signed State release of information. The Household must sign a State release of information form if requested to do so as a part of the State's standardized review process. This allows QC reviewers, in those States, to contact third parties to obtain information pertinent to the household's SNAP case. If the household refuses to cooperate, the reviewer must explain to the household that this refusal may result in the household no longer receiving SNAP. As discussed in Section 442.2, such cases must be completed if the reviewer has the necessary information required to complete the case.

430 COLLATERAL CONTACTS. Collateral contacts are required when verification is not present in the case record or from the household. Most of the time the information that should be sought from a collateral contact will be evident. For example, information about rent would generally be obtained from landlords.

Reviewers must keep in mind that one collateral contact can sometimes verify several elements. Landlords can sometimes also verify household composition. Reviewers should plan collateral contacts to make maximum use of third party information.

An authorized representative, when acting in the capacity as the representative for the purposes of the household interview, may not also serve as a collateral contact.

State agency and QC staff members may, with household consent, also serve as a collateral contact for a household when the worker has personal knowledge of the household and element needing verification. The collateral contact must not have been the eligibility worker or otherwise have served the household in a professional capacity related to SNAP. All communication will be handled with the same considerations as if the contact did not work for the State and all rules in Section 431 of this handbook apply.

431 Obtaining Information from Collateral Contacts. When contacting collateral information sources, reviewers must identify themselves, describe their purpose, and state what information they need.

If the collateral contact is not willing to cooperate without a signed release from the household and the State does not require a release, the reviewer must go back to the household and request a release to obtain cooperation from the collateral. If the household refuses to sign or provide a written release to the reviewer, the household must be sanctioned due to non-cooperation with QC (see Section 442.2).

The reviewer should only disclose the information that is absolutely necessary to get the information being sought. The reviewer should avoid disclosing that the household applied for SNAP, if possible, and should not disclose information provided by the household. The reviewer should also indicate, if SNAP must be discussed, that this request for information does not mean the agency suspects that there is something wrong with the household's SNAP case.

Discussions with collateral contacts must focus on information pertinent to the review yet may include factors other than those the reviewer planned to verify. For example, a landlord who was contacted about rent may mention the presence of a household member which neither the case record nor the household indicated. If so, the reviewer must obtain any relevant information about the person that the landlord may know and contact the household again to resolve any inconsistencies.

432 Collateral Contact Refusal to Cooperate. A third party may refuse to provide the information which is needed to verify an element of eligibility or basis of issuance. The program has no authority to require third party cooperation. If verification cannot be obtained from other known sources, the household must be contacted again to obtain another source. A collateral's refusal to cooperate should not be interpreted as the household's refusal to cooperate. Documentation of a third party refusal to cooperate must be shown on the appropriate element on Form FNS-380, Column 3, Field Finding.

433 Documentary Verification. The reviewer must document verification obtained from collateral contacts by recording the information in Column 3 of Form FNS-380 and by attaching copies of documentary evidence. (See Section 520 for documentation requirements.)

440 COMPLETION OF FIELD REVIEWS. Field reviews must be completed to the point where either ineligibility or the appropriate benefit allotment is determined, verified and documented. This does not apply to cases that are not subject to review, as specified in Chapter 3 and cases that the reviewer is unable to complete in accordance with Section 442. Documentation of why the case is not subject to review or the reviewer is unable to complete the review must be made on Form FNS-380.

441 Cases Determined Ineligible. If during the field investigation the reviewer determines and verifies the household's ineligibility, the review can be terminated at that point provided the determination is based on information obtained from the household. If it was obtained from another source, the correctness of such information must be reviewed further. The reviewer must attempt to resolve the conflicting information by recontacting the household unless it cannot be reached or refuses to cooperate. This contact may be by telephone, mail or in person. If the reviewer is unable to resolve the difference with the household, the reviewer must use the most reliable data available and must document how the final determination was made.

442 Incomplete Case. Every reasonable effort must be made to complete all active cases except those that are not subject to review. All cases reported as not complete must be reported to the State agency for appropriate action on an individual case basis.

442.1 Case Record or Household Cannot Be Found. The reviewer must make all reasonable efforts to locate the case record and the household in an attempt to complete the review.

- **Case Record.** When a case record cannot be found, the reviewer must use whatever information is available to contact the household and complete the review. Most State agency's currently have at least a portion of the case record on the State computer system. It is unlikely that the case record will not be located
- **Household.** When a household cannot be located, the reviewer must attempt to locate the household by contacting at least two sources as listed below. **Note**: This provision does not apply when the household's current residence has been located and confirmed, but the reviewer is unable to talk to the recipient. (See Section 442.2 for refusal and failure to cooperate.)

  The reviewer may be unable to locate the household at the address indicated in either the case record or the issuance record, and the reviewer is not aware of the household's current address. Some cases may also include the characteristic that correspondence from Quality Control to the household has been returned with an official Postal Service stamp indicating the correspondence was "undeliverable", "moved no forwarding address", etc. (In this instance, the official postal stamp may serve as one source of contact; however, a letter marked simply unclaimed is not acceptable.)

  The reviewer must attempt to locate the household by contacting at least two sources that the reviewer determines are most likely to know the household's current address. The reviewer must explain why selected sources are most likely to know where the household currently resides. To qualify as a

contact, the source must have familiarity with or knowledge of the household. These sources must be documented in detail on Form FNS-380, Column 3. Such sources may include, but are not limited to:

1. The local office of the U.S. Postal Service
2. The State Motor Vehicle Department
3. The owner or property manager of the residence at the address in the case record, and
4. Any other appropriate sources based on information contained in the case record, such as public utility companies, telephone company, employers, relatives or school officials. Appropriate sources for homeless households may include soup kitchen personnel, homeless shelter operators, or transient housing officials. To qualify as a contact, the source must provide feedback; messages left on answering machines do not qualify.

After the reviewer has attempted to locate the household and has documented the response of each source contacted, if the household still cannot be located and the reviewer has documented evidence that the household did actually exist, the reviewer must report the active case as not subject to review (Code 2).

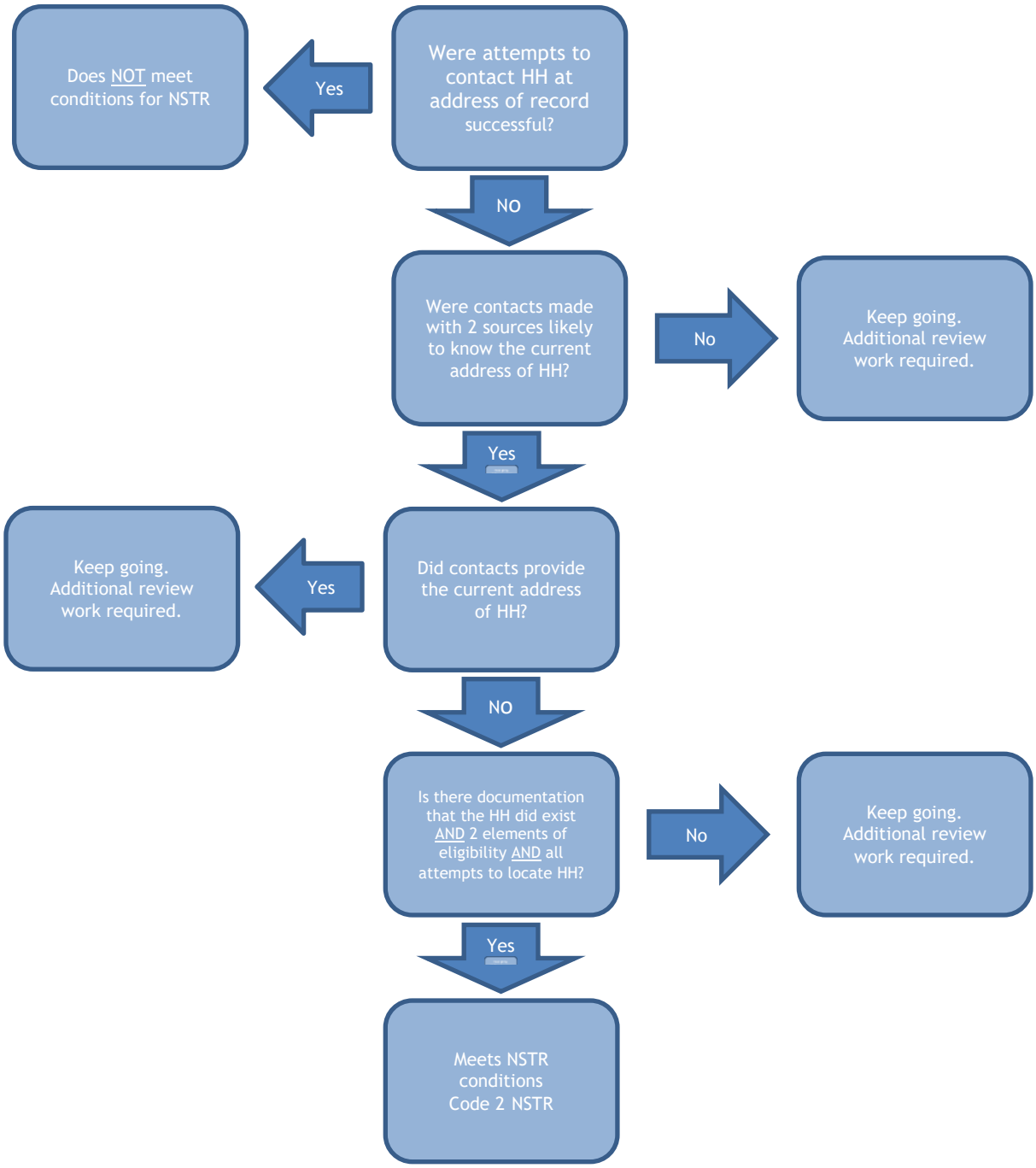
- **Case Record and Household**. If neither the case record nor the household can be found, the case must be reported as incomplete (Code 3) regardless of the State's efforts to locate the household.

  In situations where the household and/or case record cannot be located, documented evidence of the existence of the household shall be considered adequate if it either:

  - Documents two different elements of eligibility or basis of issuance, such as a copy of a birth certificate for age, a pay stub for income, or
  - Documents the statement of a collateral contact indicating that the household did exist

  <u>If the reviewer fails to undertake these efforts or to properly document the efforts, the case is considered incomplete (Code 3) as opposed to not subject to review (Code 2)</u>. When the reviewer determines that the household never existed, e.g., an apparently bogus case, <u>or</u> never lived at the address given and the household cannot be located, the case must be coded as incomplete (Code 3). Documentation on Form FNS-380 must indicate why the reviewer determined the household never existed or never lived at the address given when the household cannot be located.

Conditions that must be met for reason – Unable to Locate Active Case – Code 2 - NSTR



442.2 Household Refusal and Failure to Cooperate. One or more members of the household may refuse or fail to cooperate with the reviewer by refusing or failing to be interviewed, or by not providing collateral contacts.

- **Determination of Refusal (Code 3).** For a determination of refusal to be made, the household must be able to cooperate, but clearly demonstrate that it will not take actions that it can take and that are required to complete the QC review process. An outright refusal to talk to the reviewer is an example. In certain circumstances, the household may demonstrate that it is refusing to cooperate by not taking action after having been given every reasonable opportunity to do so, even though the household or its members do not state that the household refuses to cooperate.

Examples of instances where the household's failure to take required actions in completing a QC review has the effect of a refusal to cooperate include:

Example of not responding to a letter: The household does not respond to a certified letter that is the reviewer's attempt to contact the household to arrange an interview. The letter was sent Certified Mail-Return Receipt Requested, and is signed for by a household member, within 30 days of the date of receipt. The letter was signed for, which indicates the household is aware of the need for an interview; therefore, the client has refused to cooperate.

The key factor in determining whether the household refused or simply failed to cooperate with the reviewer is whether the reviewer can verify that the household was actually contacted and that the household was aware that the reviewer was seeking its cooperation.

Example of not attending an interview: The household does not attend an agreed upon interview with the reviewer and then does not contact the reviewer within 10 days of the date of the scheduled interview to reschedule the interview.

Example of not following up: Following contact with the reviewer, the household does not return a signed release of information statement to the reviewer within 10 days of either agreeing to do so or signing for a request from the reviewer sent Certified Mail-Return Receipt Requested. The client has refused to cooperate in this instance.

- **Determination of Failure (Code 3).** For a determination of failure to be made, the reviewer must be unable to document or verify that the household

is unwilling to take actions that it can take and that are required to complete the QC review process

Examples of instances where the household would be considered to have failed to cooperate rather than refused to cooperate in completing a QC review include:

Example of failure, not refusal, when the household does not respond: The household does not respond to notes or messages left at the household's verified address or with a non-household member, but the reviewer is unable to verify that the household received the notes or messages. An exception shall be made to this provision for notes or messages left with the household's eligibility worker. If the eligibility worker states that the notes or messages were conveyed to a household member, and these notes or messages do not elicit a response from the household, then the household's lack of response will be considered a refusal to cooperate with the reviewer.

Example of failure, not refusal, when a third party does not cooperate: A refusal to cooperate comes from a person who is not a member of the household of record.

Example of failure, not refusal, when the household cannot cooperate: The household demonstrates a willingness to cooperate with the reviewer but is unable to provide requested information, because the information is not in the possession of the household.

- **Steps to Obtain Compliance in Both Refusal and Failure to Cooperate Situations.** If a household refused or failed to cooperate with the reviewer, certain steps must be taken.

  The case must be reported to the State agency for it to take other administrative action. Such action may include such things as having the eligibility worker contact the household, assigning the case to another QC reviewer and writing the household a letter from a State official.

After such actions, in cases where it has been determined the household refuses to cooperate, the household must be notified of:

- The penalties for refusing to cooperate with respect to termination and reapplication
- The possibility that its case will be referred for investigation for willful misrepresentation

If the household refuses to cooperate after such notice, the reviewer must report the household's refusal to the State agency for termination of the household's participation without regard to whether the reviewer is able to complete the case.

It is the responsibility of the State agency to establish whether a household's lack of cooperation is based on a refusal or a failure to cooperate. All the steps taken in the attempt to gain the cooperation of the household, as outlined in this section, must apply to all cases in which the household is determined to have either refused or failed to cooperate with the reviewer. The reviewer shall not, however, report the case to the State for termination when it is determined that the household failed, rather than refused, to cooperate.

When the reviewer has verified the address/residence of the household, but the household does not respond to letters, notes, or messages requesting the household's cooperation, the reviewer must report the case to the eligibility worker for appropriate administrative action. This may include termination of the household's eligibility due to loss of contact between the State agency and the household. The reviewer must inform the eligibility worker that if the household responds to any proposed administrative actions, the worker is to inform the household of the quality control review and how to contact the reviewer.

<u>In all cases where the reviewer has determined the household refused or failed to cooperate in completing the quality control review, the reviewer must attempt to complete the case without the cooperation of the household.</u> If the reviewer is able to determine and verify all of the necessary information without the cooperation of the household, the case must be reported as complete even if the household could not be interviewed. **At no time should the potential outcome of the review finding, such as a potential error in the review, impact completion of the review.**

If the reviewer is unable to determine and verify all of the necessary information without the cooperation of the household, the case must be reported as incomplete. If after disposition of the case as incomplete the household later agrees to cooperate with the reviewer (at any time up until

115 days after the end of the review period), the reviewer must interview the client and once again attempt to complete the case.

All of the steps taken to gain the cooperation of the household and to complete the review must be documented in the QC review record.

442.3 Likely Conclusion. Likely conclusion is the use of information, other than standard verification, in conjunction with verified case record information that supports a reasonable judgement of eligibility for a particular element or elements.

The reviewer must attempt to obtain the required standard verification as outlined in Chapters 5 and 8 through 11.

Likely conclusion cannot be used if the attempts and the results of those attempts to gain standard verification are not evaluated and documented as outlined in Chapter 5.

If the reviewer cannot obtain the required verification (see Chapters 5 and 8 through 11), the reviewer should explore other evidence, review the eligibility worker's actions in the context of the overall case record and other QC case findings.

The case record must clearly indicate the household's statement about each element.

If an element requires verification other than the household's statement, as outlined in Chapters 5 and 8 through 11, verification supporting the likely conclusion must exist in the case record. If there is no verification to support the likely conclusion determination in the case record, likely conclusion cannot be used for the element. Verification that supports the likely conclusion is verification that supports but does not establish a conclusion in an element of eligibility or basis of issuance. The verification used to support a likely conclusion must be reliable and confirmed.

Each QC review is an independent review. The determination of whether or not "likely conclusion" could or should be used is case specific. No contradictions or discrepancies can be resolved using likely conclusion. For an element where likely conclusion can be used but is not, and the element is not otherwise completed, the reviewer must document the reason for not using likely conclusion.

The reviewer cannot use likely conclusion for certain elements:

- Non-citizen status
- Income and Eligibility Verification System (IEVS) for bank accounts and employment
- Earned or unearned income that is not stable (fluctuating income)
- DMV for vehicles
- SSN's and
- Work requirements

442.4 Requirements for Completing Likely Conclusion.

- Attempt to get verification from the household, do not limit the type of verification the household is to provide, request that any type of standard verification be provided.
- Check case record for acceptable standard verification.
- The reviewer must attempt to get standard verification.
- The reviewer must document the results of each attempt to obtain standard verification.
- If standard verification cannot be obtained and all results are documented, the reviewer may attempt to use likely conclusion and review the eligibility worker's action and the overall case record.
- The case record must contain enough information and verification that it is reasonable to state the element is complete using likely conclusion.
- An application must be available with the household's statement regarding the unverified elements.
- Eligibility worker case notes must address what was said during the interview and what verification was obtained at application.
- The element that is outstanding in the QC review must have been verified by the household or by matches at certification unless the standard element verification is household statement.
- Document how you arrived at likely conclusion for the element and why it is a reasonable judgment of eligibility.

Example for using likely conclusion for element 311 Earned Income: Recipient did not appear for interview or respond to any attempts to gain cooperation with QC. Letter sent to Mr. Smith 6/29 and certified letter sent 7/5. Phone call to 555-555-5555 made on 6/29; left message to contact reviewer. Letters from supervisor and local office workers sent 7/6. No responses received from correspondence or call.

The household consisted of one person who is aged 72. No earning reported in past 2 years on SNAP applications. The household exists as benefits issued are being used and Post Office inquiry received 7/16 showed mail delivered to recipient.

See attached information from the State Department of Labor dated 7/14, no earnings found for the household and no Unemployment Compensation benefits.

Recipient's application reported only Social Security income. SOLQ dated 7/5 showed SS benefits for the past 7 years.

No IEVS matches found in check of system on 7/5.

Recipient's medical case shows only SS income.

The reviewer is making a reasoned judgment of the element of eligibility. The reviewer is likely concluding that no earnings exist based on the case record information, the prior applications for assistance, and matches with known employment systems.

Example of an appropriate situation in which to use likely conclusion: In January, Joan was correctly certified with a telephone utility allowance, which was verified using a January bill in her name for phone number, (555)555-5555, for a basic cell phone plan with AT&T Wireless. In August, Joan's case was sampled for QC. Joan was unable to produce her August bill, which she already received, but was able to provide her July bill from AT&T Wireless that was still in her name, for the same phone number, and service plan as the January bill.

The reviewer interviewed Joan in August and verified Joan is still using the (555)555-5555 number in the sample month. The reviewer can likely conclude that Joan is still entitled to the telephone utility allowance because there is evidence to reasonably determine the phone Joan is using, which she provided a recent bill for that matches the verification for January's certification, is still an expense that she is billed for.

442.5 Late Reviews. A review cannot be reported as incomplete solely because it has not been completed in time to meet the requirements in Section 190. The State agency must obtain prior FNS approval.

Chapter 5
VERIFICATION AND DOCUMENTATION

500 GENERAL. This chapter contains the general verification and documentation requirements. Refer to Chapters 8 through 11 for specific verification and documentation requirements for each element of eligibility and basis of issuance.

510 VERIFICATION. The reviewer must verify actual household circumstances using information in and collateral contacts from the certification record, as well as independent QC verifications obtained from documentary evidence and household/collateral contacts for each element of a household's:

- Eligibility for the point in time dictated by the eligibility rules governing the household's sample month participation, and
- Benefit calculation for the household's budget/sample month

If eligibility must be determined for Comparison II, the reviewer must independently verify the information used for the most recent certification action in effect as of the review date (AORD). Independent verification for Comparison II means the reviewer must verify any element of eligibility and benefit issuance used for the most recent certification action in effect AORD for which there was not verification already located in the file. This includes required reportable changes that should have been in effect AORD. If the reviewer uses verification found in the certification record, the verification must meet the requirements at Section 322.2.

511 Sources of Verification. The reviewer must obtain evidence that establishes factual information of the household's circumstances for each element. Documentation must explain how the verification meets the criteria for evidence in the specific element. Note in the following two, contrasting, examples how the sources of information for each of the two elements can factor into the review and how verifications for one element can impact another, sometimes requiring more work to establish the facts of the case.

Example: The case record worksheet shows a shelter expense of $500 for rent, including all utilities. The household, a 19-year-old single parent, claims that due to credit problems the lease is in her mother's name, and the mother lives at a different address. The reviewer obtains verification that the lease is in the mother's name from the apartment complex, partially completing verification of element 363. The reviewer subsequently obtains a written statement from the mother stating that she does not live with her daughter, and the daughter is responsible for paying the full $500, completing verification of element 363. A written verification for household composition from an independent party, someone other than the mother and household, establishes that only the client and client's child are in the household, further corroborating the client's statement.. The reviewer has provided sufficient verification of Element 363 and 150 and will document all verifications used to arrive at the conclusion on these elements.

Example: The case record worksheet shows a shelter expense of $400 for rent, including all utilities. The household, a 19 year-old single parent, claims that, due to problems with credit, the lease is in the client's father's name and that the father lives at a different address. The reviewer obtains verification that the lease is in the father's name from the apartment complex and, subsequently, obtains a written statement from the father stating that the client is responsible for paying the full $400, seemingly verifying element 363. A written verification for household composition, however, from an independent party, someone other than the father and household, establishes the father and client are in the same household. These discrepancies must be cleared, and the resultant conclusion validated by verifications and documentation. The reviewer will consider the sources of verification for each element in question and use that information to evaluate the accuracy of the information obtained and consider what other information may be needed to reconcile the conflicting statements.

A list of sources for verification is provided under the standard verification section of each element (see Chapters 8-11).

- These sources have generally proven to be the most reliable
- Sources are provided to assist reviewers in completing reviews to the point when the proper benefit allotment is determined
- Reviewers may use sources other than those listed under standard verification as long as they meet the criteria for evaluating evidence (See Section 513.)
- For a few elements, only specific sources of verification may be used as indicated in Chapters 8 through 11

512 Use of the Income and Eligibility Verification System (IEVS) Data.

IEVS is a system of information acquisition and exchange for purposes of income and eligibility verification. Each State Agency has access to IEVS and the use of it as a verification tool for the QC review is mandatory. The use of IEVS as verification has the potential of informing the reviewer of additional leads for other elements. Further investigation of those leads from IEVS is mandatory. (See Chapters 8 through 11.)

Important Considerations Using IEVS:

- Information from provider agencies must be updated and input before it is available for access through IEVS, creating a lag time
- This process may run one or two quarters behind so the reviewer should look at information up to three quarters prior to the sample month
- This delay means the absence of information from IEVS cannot be used alone as confirmation of no income/resources

In addition to IEVS, the reviewer must use other mandatory systems such as prisoner

verification system (PVS), deceased matching system, and National Directory of New Hires.

513 Evaluating Evidence.

513.1 As the reviewer obtains evidence, he/she must evaluate the evidence to ensure:

- It meets the verification requirements for the element
- It does not conflict with other evidence, or the conflicts are resolved and documented
- It proves (either by itself or in combination with other evidence) the facts being verified
- It pertains to the case member(s) or other individuals to whom it is supposed to apply
- It establishes the circumstances for the element AORD for the appropriate issuance and budget month

513.2 In judging the reliability of evidence, the reviewer must consider the following:

- **Age of Evidence or Date Evidence was Established.** Does the date the evidence was established lend credence to the factor being established, or does it raise questions?

> **Example:** Mr. Brown and spouse were certified initially in 2015 with rent of $500 reported on the application. The household was certified for 12 months, January 2015 through December 2015. At time of initial certification, the certification worker verified the rent was $500 with a yearlong lease received at the initial certification action and dated December 7, 2014 – December 6, 2015.
>
> On December 27, 2015 the household applied for recertification. The application indicated the rent amount was $500. The certification worker used a copy of the lease agreement dated 12/7/2014 as verification of rent. The reviewer must independently verify rent at time of recertification, even though the rent amount did not change, because the lease agreement does not cover the time period needing verification.

- **Purpose for Which Established.** Why was the evidence prepared? Would there be any reason for falsifying the evidence?
- **Basis for the Evidence.** What or who is the source? Is it reliable? For

example, was the information provided for the purpose of establishing eligibility? If not, who provided the information?

- **Nature of the Evidence.** Is the evidence official, such as a birth certificate, deed or other legal instrument?
- **Custody of the Evidence and Its Availability.** Is the evidence in the custody of a person who might have a vested interest in changing or slanting the evidence?
- **Way in Which Specific Information Is Recorded.** Does written evidence clearly establish the facts of the issue being reviewed?

> **Example:** Is the specific date of birth shown, or does it show only age? If it shows only age, does it indicate last or next birthday?

  - If the answers to any of questions raise doubts concerning the reliability of the evidence, or the identity of the person to whom the evidence pertains; the reviewer must resolve these doubts and/or attempt to obtain other types of evidence.

Verification requirements of each section are the minimum requirements, and the reviewer must pursue additional verification, as needed, to ensure all criteria to establish the element has been satisfied. The reviewer must fully document verification of all elements.

Whether the reviewer uses sources from the standard verifications found in Chapters 8-11 of this Handbook, other sources or IEVS, error determinations will ultimately be made based on the household's actual circumstances. All changes in an element must be clearly documented identifying what the change was, when it occurred, and whether it was reported or unreported. Failure to question and document the client's statements regarding all potential changes in each element introduces bias in the QC system and is not acceptable.

514 Positive and Negative Allegations. Positive and negative allegations apply to all elements. Household disclaimers of any element must be evaluated in the context of the household circumstances and history. Verification standards differ in some instances depending on whether the household responds positively or negatively to a question.

- All changes in an element must be clearly documented identifying what the change was, when it occurred, whether it was reported or unreported
- Failure to question and document the client's statements regarding all potential changes in each element introduces bias in the QC system and is not acceptable

Positive Allegation - A positive allegation is when a household is asked a direct question about an element and the client agrees the circumstance exists in the household. This is the acknowledgement by a household member of receipt or of

ownership of income and/or asset, and the acknowledgement of the responsibility for an allowable expense.

Positive allegation example: The household states that they **receive** earnings from a job.

- The reviewer must obtain and verify details about the employment, including:
    - Name, address, and phone number of the employer
    - Hourly rate, number of hours worked, and frequency of pay
    - Full or part-time
    - Is there regular overtime, bonus payments, tips, or commissions
    - Are wages received in cash, by check, or by direct deposit to a bank account or debit card
- The reviewer must obtain verification, such as:
    - Pay stubs, earning statements, or pay envelopes
    - Statements or completed forms from the employer
    - Printout of the Work Number or other payroll service provider's information, if available to the State agency
- The reviewer must check IEVS matches to determine if there are other employers, or periods when income increases or decreases

Negative Allegation - A negative allegation is when a client is asked a direct question about an element and denies the circumstance exists in the household. This is a statement of a household member **denying** the receipt of income, the ownership of assets or the responsibility for expenses.

Negative allegation example: The household states they **have no** income from a job and no earnings.

- The reviewer must question the household to explore any evidence of income:
    - Explore financial management and living expenses
    - How is rent/mortgage or utilities paid?
    - How are clothing, cleaning and personal hygiene items obtained?
    - Are there contributions or gifts or loans made to the household?
- Explore past employment, including types of work and former employers
- Explore any type of self-employment, or odd jobs, whether regular or seasonal
- The reviewer must check IEVS for possible earnings. Any earnings found in IEVS matches must be explored
- Obtain a printout of the Work Number information or other payroll service providers, if available to the State agency. Explore any matches

- The reviewer should check the National Directory of New Hires (NDNH) for possible earnings, if available to the State agency. Any NDNH matches must be explored
- The reviewer may also obtain collateral verification from a non-relative living outside the home to verify there is no income and to support the client's allegation in the absence of the above sources of corroboration

Verification standards for negative allegations are included as needed with verification standards for positive allegations.

515 Verification Guidance. Guidance for appropriate verifications is provided in Chapters 8 through 11. Each element will have standard verification and verification processes. The State must use the IEVS data in accordance with Chapter 9 on resources and Chapter 10 on income.

520 DOCUMENTATION. Verification of all elements must be documented by recording information in Column 3 on Form FNS-380 Worksheet for QC Reviews. Copies of all documentary evidence must be attached as well. The reviewer must write the applicable element number on the top right of any documentary evidence used. Documentation must clearly show the basis for the reviewer's findings for each individual element. It is the basis for determining if a variance exists in an element.

Detailed documentation of all calculations must be shown in any element where a budget figure must be determined including but not limited to:

- Income calculations for all budgets
- Shelter costs
- Child care expense
- Child support income or expense, and
- Medical expenses

521 Documentation with Attachments. Verification is documented by attaching a copy of an official document or correspondence to the QC worksheet. When a copy or screenshot is available, the reviewer must include the attachment in the QC case file. The reviewer must also document on Form FNS-380, Column 3, for the appropriate element, and refer to the copy made describing how the document verifies the element. The reviewer must print the applicable element number on the top right of the document.

Examples of documentation with an attachment: Henry Jones stated that he was born April 10, 1950. Verified by New York City birth certificate number 11234. See attached copy.

Sarah Wilson stated her rent was $450 per month and did not include utilities. QCR obtained letter from landlord, Betty Jones, 303 Vista Rd, Dallas, (214) 555-5555, who verified rent of $450 per month; utilities not included, for March. See letter attached.

522 Documentation by Recording a Document.

When a copy of the document is not obtainable, the reviewer must record the information on the QC worksheet Column 3. Recorded documentation must contain enough detail to ensure the household circumstances are clear to anyone not familiar with the case. Thorough documentation of verification from official sources, and correspondence and written statements from collateral contacts, must include the following:

- The date the QCR viewed the document
- The source and type of document, its date (processed, signed, received or sent), any identification number, and the volume and page number, if applicable
- Where the document is located, if appropriate, such as a government office
- The pertinent information from and about the document. For example, explain if a paystub has a company name that differs from the company name shown on other employment documents. Explain the affiliation, such as Joe's Grill being owned by parent company, Best Restauranteurs, and
- How the information from the document applies to the specific period of time under review

Examples of documentation by recording: Wages for John Doe were verified on 11-5, by viewing two biweekly pay stubs from Jo and Mo's Bakery, 221 Landgrave Place, Pleasant, Ohio, check #0631, received 10-13, Gross Amt. $206.50 and check#2506, received 10-27, Gross Amt. $323.80.

Sarah Wilson stated her rent was $450 a month that includes all utilities. Verified as $450 for March from rent records viewed on 5-5 at Cherry Tree Apartments rental office, 500 Cherry Tree Lane, Blossom City.

523 Documentation of Verbal Statement by a Collateral Contact.

When documentary evidence cannot be attached to the QC file, information may be obtained verbally from collateral contacts and must contain as much of the following information as possible and document why any piece of contact information is not available (for instance, that the collateral refused to give an address and the contact was made by phone, which is provided). At a minimum, information must be sufficient so as to allow another reviewer to be able to replicate the contact.

- Name of the contact
- Title and organization (if appropriate)

Example of documenting a verbal statement: Susan Jones stated that the day care center her two children, Jack and Jill, attended in October charged $160 a month per child. Verified 2/15 by statement from Estelle Smith, Director, Cheery Child Day Care, 123 Cheery Ln, Seattle, (555) 555-5555, that Jack and Jill attended all of October and Susan Jones was charged $320 for that month.

- Telephone number (if none, document no number but address or email must be available)
- Address
- E-mail address (if applicable)
- Significance to household
- Date or dates of contacts, and
- Pertinent information obtained

524 Verification and Documentation of Negative Allegations. In addition to verification of positive factors which the household admits, such as employment, bank accounts and expenses allowable as deductions; a household's negative allegations, for example, that no one in the household is employed, no one has a bank account or no one owns a vehicle must be verified. Verification of negative allegations must be documented on the FNS-380 worksheet Column 3, as does verification of positive allegations.

525 Verification and Documentation in Automated Certification Systems. In some State agencies, the certification file may be contained wholly or partially in computer files. Some State agencies have multiple computer systems where household eligibility information is stored. State agencies are required to make all eligibility information from all systems available for the reviewer. Therefore, those components should be evident in all QC cases.

The QC reviewer must ensure verification and documentation is sufficient to establish each element of eligibility and the benefit calculation for the household's budget month. If not, the QC reviewer must obtain the necessary verification and document the FNS-380 worksheet in accordance with the standards in this chapter, and Chapters 8 through 11.

Chapter 6
ERROR DETERMINATION PROCESS

600 PURPOSE. The purpose of the error determination process is to determine whether each active case is eligible, eligible with an overissuance or underissuance, or ineligible for the sample month. The term "error" applies to the allotment. There is an error in the case if the household is ineligible. There is also an error in the case if the household is overissued or underissued. Only errors more than the current FY error threshold will be included in the official error rate for a State agency. The inclusion or exclusion of any variance in an element may affect the error determination process; however, a variance is not an error. There are two parts to the error determination process, the eligibility test and the allotment test.

610 THE ELIGIBILITY TEST. The reviewer must first determine whether the household was eligible to receive the sample month issuance.

The reviewer must use the procedures in Chapters 5 and 7 through 11 to verify the household's circumstances and to determine whether any variances found during the review are to be included or excluded. The procedures to be used depend upon the household's eligibility system. This may be different from its budgeting system requirements. (See Chapter 7, Section 726.1, special provisions for simplified reporting cases.)

Example of a Household Failing the Eligibility Test: Household consists of Bob, an able-bodied adult without dependents (ABAWD) that is subject to time-limited participation. Bob was correctly recertified in June, already used two of three countable months for time-limited participation, and he still had 16 months left on his 36-month tracking clock as of the recertification. Sample month is September of the same year. QC determines Bob has not worked since the first week of July when he worked 25 hours. Bob has fallen below the 20 hour per week ABAWD requirement and is determined ineligible for the month of September for exhaustion of countable months. The error determination process is completed and column 2 is only partially filled out for the Sample month.

If the household was ineligible, the error determination process is complete. Column 2 of the computation sheet would be completed using the figures determined in the test if the necessary figures were obtained during the review. If the review was terminated before the household's complete circumstances were established, column 2 is not completed. The allotment amount would be zero as the entire amount authorized for the sample month was in error. The reviewer would enter Code 4 in Item 8 and the amount of the authorized allotment in Item 10 of Form FNS-380-1.

If the household is eligible, the reviewer must continue with the Allotment Test.

Note: For household's that are categorically eligible, the eligibility test is considered to be complete once the reviewer has determined categorical eligibility was properly conferred, as discussed in Chapter 8, Section 841.

620 THE ALLOTMENT TEST. The allotment test may consist of a two-step process: Comparison I and Comparison II. The first allotment test is a comparison of an allotment computed based on verified sample month circumstances to the allotment authorized by the EW. The second allotment test is a comparison of the allotment based on actual verified circumstances based on the most recent certification action, excluding appropriate variances.

Prior to doing the allotment comparisons, the reviewer must verify the household's actual circumstances appropriate for the household's budgeting requirements. This means that all circumstances including household composition, income, and expenses must be verified and documented on the 380 worksheet, Column 3. All information is to verified and documented by the reviewer using procedures found in Chapter 5 and Chapters 7 through 11.

Comparison I must always be completed. The State is not allowed to complete a Comparison II without first completing Comparison I.

(See Section 727 for Transitional Benefit cases.)

621 Comparison I. The first comparison is of an allotment computed based on the actual, verified sample month circumstances for items the household is entitled to have considered in the benefit calculation to the authorized allotment. The reviewer must not determine whether there are any variances for the purposes of this comparison. All circumstances including household composition, income calculations, and expense calculations must be verified and documented as outlined in Chapter 5.

621.1 The reviewer must compute an allotment using actual, verified sample month income and deductions to which the household is entitled. This figure must include any relevant annualized or prorated amounts, and any applicable standard (e.g., SUA, homeless shelter standard, etc.). As appropriate, income received and expenses paid on a weekly or bi-weekly basis must be converted to a monthly figure.

621.2 Then the reviewer must compare the allotment amount computed in 621.1 to the amount the eligibility worker authorized for the sample month.

621.3 If the difference between these two allotment amounts is less than or equal to the current FY error threshold, the error determination process is over and the error amount will not be included in the State's error rate calculations. The

reviewer must use the actual verified sample month circumstances for completing column 2 of the computation sheet.

In addition, for Form FNS-380-1, enter Code 1, 2, 3 or 4 as appropriate in Item 8 and enter the appropriate error amount, regardless of the error threshold in Item 10.

621.4 If the difference between these two allotment amounts is greater than the current FY error threshold, the reviewer shall proceed to Comparison II.

622 Comparison II. The second comparison is of the authorized allotment and an allotment based on the actual verified budget/certification month circumstances, excluding any variances in accordance with the requirements in Chapters 7 through 11. Reviewer must verify and document all circumstances. This includes household composition, income, and expenses.

The reviewer is required to verify all budget month circumstances and make corrections for misapplication of policy, failure to act, computation errors and failure to report required changes by the household. As appropriate, income received or expenses paid on a weekly or bi-weekly basis must be converted to a monthly figure.

622.1 The reviewer must compute an allotment, using the verified budget month circumstances, excluding any variances as appropriate.

622.2 Then the reviewer must compare the allotment amount computed in 622.1 to the amount the eligibility worker authorized for the sample month.

622.3 If the difference between these two allotments is less than or equal to the current FY error threshold, the error determination process is complete and the error amount will not be included in the State's error rate calculations. The reviewer must use the figures from 622.1 (Comparison II) for Column 2 of the computation sheet.

In addition, for Form FNS-380-1, enter Code 1, 2, 3 or 4 as appropriate in Item 8 and enter the appropriate error amount, regardless of the error threshold, in Item 10.

622.4 If the difference between these two allotment amounts is greater than the current FY error threshold, there is an error in the allotment amount authorized, which must be included in the calculation of the official error rate for the State agency. The reviewer must use the figures from 622.1 or the figures from 621.1 for Column 2 of the computation sheet and

Example of Using Comparison I figures to determine the error: For the case under review, the figures from 621.1 (Comparison I) reflect an allotment error of a $135 overissuance. The figures from 622.1 (Comparison II) reflect an allotment error of a $165 overissuance. It is the figures from Comparison I, the $135 overissuance which must be used in the final error determination of the case.

determine the amount in error. The figures used (622.1 or 621.1) must be whichever figures result in the least quantitative error for the case. The amount in error is the difference between the two allotments. The reviewer must enter Code 2 for "Overissuance", or Code 3 for "Underissuance", in Item 8 and the amount in error in Item 10 of Form FNS-380-1.

Example of Using Comparison II figures to determine the error: For the case under review, the figures from 621.1 (Comparison I) reflect an allotment error of a $140 underissuance. The figures from 622.1 (Comparison II) reflect an allotment error of a $70 overissuance. It is the figures from Comparison II, the $70 overissuance, which must be used in the final error determination of the case.

623 Notify State Agency of All Errors Found. Following transmission, all cases with errors found during a QC review, regardless of its inclusion in the States official error rate determination, must be reported to the appropriate office(s). Those offices will evaluate and address if an overissuance is to be filed as a claim or to determine if there is an agency caused underissuance. The errors are to be referred for corrective action evaluation and planning.

It is important that cases are not held longer than is required to complete the review and any subsequent second party or supervisory reviews so as not to compound any errors found in any single case. However, information from the QC review cannot be shared until after transmission to FNS. Please refer to Section 1240.

Chapter 7
REVIEW PROCEDURES RELATIVE TO CERTIFICATION SYSTEMS AND CHANGES

700 GENERAL. There are two basic eligibility and budgeting systems - prospective and retrospective.

For QC purposes, the reviewer must determine:

- The rules governing each household's participation in the issuance month in relation to eligibility, budgeting and reporting requirements
- The certification system that determines the period of time for which household circumstances must be verified and when changes must be made effective

The prospective eligibility and budgeting system uses the same month to determine the eligibility of the household, and to budget the income and deductions used in calculating an allotment. The eligibility worker (EW) examines the household's circumstances, and reviews recent income and deductions. Using this and other information provided by the client, the EW projects a budget by anticipating the circumstances for the issuance month.

Retrospective budgeting uses the circumstances, income and deductions from a specific prior month to determine benefit level. The retrospective budgeting system may be either a one-month or two-month system. The eligibility and budgeting systems may vary based upon characteristics and procedures established by the State. For example, the State may have a two-month retrospective budgeting and prospective eligibility system for households with earned income, and prospective eligibility and budgeting for all other households.

States have the option of counting Temporary Assistance for Needy Families (TANF) income prospectively in an otherwise retrospectively budgeted system. In addition, certain new members may be added under prospective budgeting for several months to an otherwise retrospectively budgeted household.

Another factor to consider in determining the correct system is whether there was a recent change that should have resulted in a household being switched from one system to another. Households that were not certified in the previous month are phased into retrospective budgeting with "beginning" month treatment. This means that prospective budgeting is used for one or two initial months depending on the State's system.

The QC reviewer must use the correct system(s) even if an incorrect system was actually used by the EW to authorize the sample month benefits. In determining the correct system(s), the reviewer must consider:

- SNAP regulations
- State options
- Implemented waivers, and
- Individual household circumstances

Example: A Public Assistance (PA) household with earned income should have been subject to retrospective budgeting for PA and SNAP purposes. It was erroneously certified prospectively for both programs. The QC reviewer must use the retrospective budgeting review procedures.

710 VERIFICATION TIME PERIODS. The procedures in Sections 711-713, specify the time periods for which household circumstances must be verified by the reviewer.

When retrospective budgeting is combined with prospective eligibility, the reviewer must verify income and deduction information for two months, i.e., the budget month and the issuance month. The specific verification standards by element in Chapters 8-11 must be used.

711 Prospective Systems. Determining a household's eligibility prospectively requires the agency to anticipate the household's circumstances for each month of participation based upon existing circumstances that are expected to remain the same, and changes in existing circumstances that are reasonably certain to occur. (For further information refer to Definitions and Sections 221 and 222.)

711.1 Eligibility. For cases subject to prospective eligibility, the reviewer must verify all elements governing the household's eligibility, as of the review date (AORD). The reviewer must verify actual income and deductions to which the household is entitled to for the budget month. The reviewer must compute an allotment using actual, verified income and deductions to which the household is entitled for the sample month. This figure must include any relevant annualized or prorated amounts, and any applicable standard [i.e., Standard Utility Allowance (SUA), homeless shelter standard, etc.]. As appropriate, the actual, verified income and expenses must be converted when required by State policy. Income or expenses must be converted to a monthly figure as required.

711.2 Benefit Level. For cases subject to prospective budgeting, the reviewer must verify all income and deduction elements governing the household's benefit level for the entire issuance month.

Note: In a prospective system, the budget month and the issuance month are the same.

712 Retrospective Systems. Determining a household's eligibility retrospectively requires the agency to use known circumstances from a previous month. A State may have a one-month or a two-month retrospective system.

712.1 Eligibility. In either a prospective or a retrospective system, a household determined eligible for participation is authorized to receive an allotment for a specific month called the issuance month, or a series of months referred to as the certification period. (Reference Definitions and Sections 221 and 222.)

For cases subject to retrospective eligibility, the reviewer must verify all elements governing the household's eligibility, except as otherwise provided in this paragraph, as of the last day of the budget month. The reviewer must verify elements related to residency, Social Security numbers (SSN), work registration, and the transfer of resources AORD. The reviewer must verify income and deductions (when a net income determination is necessary) for the entire budget month.

712.2 Benefits. For cases subject to retrospective budgeting, the reviewer must verify all income and deduction elements governing the household's benefit level for the entire budget month.

712.3 New Members after the Budget Month. If the household reported that a new member had or would join the household after the budget month, and the State was required to add the person by the review date, the reviewer must verify household composition AORD.

If the new member was required to be added prospectively because the person was not previously participating, the new member's circumstances must be verified AORD. The only exceptions are income and deductions which must be verified for the entire issuance month. If the new member was required to be added retrospectively because the person was previously certified in another household in the previous month, the new member's circumstances must be verified in accordance with Sections 712.1 and 712.2.

713 Exceptions for Prospective and Retrospective Systems.

713.1 Prorated Income and Averaged or Prorated Deductions. When income was or should have been prorated over the budget month and/or month for which eligibility was determined, the reviewer must verify the amount of such income regardless of when it was received. The reviewer must compute a monthly amount using the income and/or deductions verified by the reviewer and use these figures to determine if a corrected EW amount is needed. The same procedure applies to one-time or periodic expenses that were, or should have been, averaged or prorated.

713.2 Variances. The reviewer must verify all information related to variances. This is required in order to establish there was a variance and when it occurred. This means that in some instances information must be verified for months other than the budget and/or issuance month depending on when the error occurred.

For example, for a prospectively budgeted household, if there is a variance between the EW worksheet in effect AORD and the verified sample month information, the reviewer must determine and verify if the variance occurred at the time of certification or subsequent to that time.

713.3 Categorical Eligibility. The reviewer must verify household composition AORD and whether all members were authorized to receive Public Assistance (PA), Supplemental Security Income (SSI), or an appropriate General Assistance (GA) payment in the sample month, or authorized to receive the benefits of a State Program conferring categorical eligibility. This also applies to retrospective eligibility determinations.

713.4 Transitional Benefits. The reviewer must verify the household's eligibility to be certified to receive transitional benefits. This applies whether the household has received benefits under transitional criteria or not. (Refer to Section 727.)

720 REVIEW PROCEDURES RELATIVE TO REPORTING REQUIREMENTS.

There are several different reporting requirements. Refer to Definitions, Section 223 and Appendix A. The types of reporting requirements are:

- Change reporting $100
- Change reporting status
- Monthly reporting
- Quarterly reporting
- Simplified reporting
- Transitional benefits (no reporting), and
- Alternatives to these systems approved by waiver

A household may be subject to one reporting requirement for all elements or different requirements for different elements depending on State options and waivers.

If the State agency receives unclear information about household circumstances during the certification period, it must evaluate and act on it, as appropriate, per certification policy requirements. Unclear information is information about household circumstances that the State agency cannot readily determine the effect on the household's continued SNAP eligibility or benefit amount. This includes information

that is verified, unverified, from the household, or from a third party data match. If the State receives information that is verified and the effect on the household can be readily determined, then it is not considered unclear information and the State must act on it.

For all households, regardless of the reporting system to which the household is assigned, the State must act to follow up on unclear information by sending an Request for Contact or Notice of Match Results if the information: 1) significantly conflicts with the information used to certify the household (meaning the information used to certify was incorrect); or 2) is something the household was required to report based on its assigned reporting system and less than 60 days old based on the current month of participation; or 3) if the information is from a deceased or prisoner matching system (described by certification policy rules). If the information does not meet this criteria it should be held until the next scheduled contact. Information in which the State agency did not act upon that was allowed to be held until the next required household contact (periodic report or recertification, whichever came first) cannot result in an included variance in the QC error determination.

The reviewer must use the procedures in this section to determine whether a variance resulting from a change in the household's circumstances must be included or excluded from the error determination due to reporting and processing time considerations.

The reporting time frames are based upon the household's requirement to report certain changes in its circumstances within the specified time frames as determined by the State agency. This can be:

- As early as 10 days from the date that the household becomes aware of the change, or
- As late as 10 days from the date the household receives its first paycheck attributable to the change, or
- 10 days before the end of the month of the change or 10 days after the end of the month of the change, depending on the State's option

The exclusionary time periods in this section apply to all changes in circumstances unless otherwise specified in Chapters 8-11.

The circumstances as verified by the reviewer for the sample/issuance month, including prorated or averaged income and deductions as appropriate, must be compared to the budget in effect AORD. If there are no variances in an element when the verified circumstances are compared to the worksheet, the reviewer must stop the review of the particular element.

If there is a variance, the reviewer must determine and use the correct reporting procedure for each element. In some States all elements will be subject to the same reporting requirements. This determination must be based on the State's reporting requirements that were in effect for the issuance month.

721 Changes Relative to Appropriate Month. The reporting requirements apply to both prospective and retrospective systems. Based on the household's certification system, the reviewer must relate changes to the appropriate budget and issuance month in which the change occurred or was anticipated to occur.

> **Example:** A change reporting household in a prospective eligibility and two-month retrospective budgeting system reported on June 1 that it anticipated an increase in income in July. The change must be considered in determining the household's eligibility for July. The increase in income would not affect the household's benefit level until July becomes the retrospective budget month in September.

722 Change Reporting - $100 Change in Earned Income or Change Reporting with Status Reporting. These procedures apply to households that are subject to the change reporting requirements in Sections 223.2 and 223.3, and those items that are not included on the monthly report or quarterly report, or to changes the State becomes aware of from a source other than a monthly or quarterly report.

The 30-day and 20-day time periods referenced in this section are based on the regulatory requirements for change reporting. The requirements are 10 days for the household to report changes, 10 days for the State agency to obtain verification and act on known changes, and a minimum 10-day notice of adverse action period for actions to reduce or terminate benefits.

State agencies have the option of using the same time period for the notice of adverse action as they use for public assistance purposes. This may be longer or shorter than 10 days. If it is, the 20-day and 30-day time periods that are related to the change reporting requirements, must be adjusted by the same number of days.

> **Example:** A State uses a 12-day advance notice of adverse action to be consistent with public assistance. The 30-day period for unreported changes must be changed to 32 days, and the 20-day period for acting on reported changes must be changed to 22 days.

722.1 Changes Prior to the Notice of Eligibility for Initial Certifications.

Initial Month. Initial month means the first month for which the household was certified for participation following any period when the household was not certified.

- Variances that are the result of unreported changes that became known to the household subsequent to the interview must be excluded if the sample month is the initial month.

- Variances that are the result of changes that were voluntarily reported by the household between the time of the interview and the certification action are included variances unless the State had less than 10 days to act on the change, from the date the change is reported until the date the household is certified.

Note: The date the household is certified is the review date if the sample month is the initial month.

Subsequent Months. Unreported changes that became known or occurred between the time of the interview and the date of the notice of eligibility are treated as though they became known to the household on the date of the notice of eligibility.

722.2 Unreported Changes. The following procedures apply to unreported changes under the change reporting requirements.

- Variances resulting from changes which occurred and the reviewer can establish and document the change that became known to the household more than 30 days prior to the review date, must be included in the error determination.
- Variances resulting from changes that became known to the household or occurred 30 days or less prior to the review date must be excluded from the error determination.

There are two exceptions:

1) In a one-month retrospective budgeting system with either prospective or retrospective eligibility when:

    - The review date is the first day of the issuance month, and
    - The household's issuance is after the 15th day of the issuance month; then
    - Any variances that occurred or became known prior to the 15th day of the budget month must be included in the error determination

2) In a two-month retrospective budgeting system with either prospective or retrospective eligibility when:

- The review date is the first day of the issuance month, the 30-day period is converted to a month's time for simplicity, therefore,
- A change that occurred or became known during the budget month must be included
- Any variance resulting from a change that occurred or became known to the household in the processing month must be excluded from the error determination

See Section 721 for changes relative to the appropriate month.

722.3 Reported Changes. The following procedures apply to reported changes under the change reporting requirements.

When a change in circumstances was reported which the State agency was required to have in effect AORD; any variance(s) resulting from the agency's failure to effect the change AORD must be included in the error determination.

Two-Month Retrospective System. In a two-month retrospective eligibility and/or budgeting system where the review date is the first day of the issuance month, any variance(s):

- Resulting from change(s) that occurred during the budget month must be included in the error determination
- Any variance(s) resulting from change(s) that occurred during the processing month must be excluded

Note: This does not apply to prospective eligibility.

- **Other:** In systems other than two-month retrospective systems, variances must be included in the error determination as specified below.

  1. Variances must be included:

     - If the change would have resulted in an increased allotment
     - The change was reported more than 10 days prior to the review date, and
     - Action on the reported change was not pending AORD because the household had not submitted the necessary verification

Exception: In those situations where a household has applied for initial benefits after the 15th of the month, and receives a combined first and second allotment:

- If the second month is the sample month, any changes occurring in the first month, which the State agency is not required to effect for the second month, must be excluded from the error determination process

Exception: A household may apply for initial benefits after the 15th of the month, and receive a combined first and second allotment. In this situation, if the second month is the sample month, the reviewer must exclude from the error determination process, any changes occurring in the first month, which the State agency is not required to effect for the second month.

2. Variances must be included:

   - If the change would have resulted in ineligibility or a decreased allotment, and
   - It was reported more than 20 days prior to the review date with two exceptions:

     a. If the notice of adverse action expired during the issuance month (the sample month), and in a prospective system the State agency had decided not to effect the change until the month following the issuance month, the variance must be excluded, or

     b. If the notice of adverse action notice expired on a weekend or holiday on which the review date also falls, the 20-day period must be extended by the appropriate number of days.

        Additionally, if the review date falls on the day after a weekend or holiday on which the notice expires, the 20-day period must be extended for the appropriate number of days.

<u>For all variances covered by this section:</u> The reviewer must include in the error determination any variance resulting from:

- A change that became known to the household more than 30 days prior to the review date, but
- The change was reported too late for the agency to effect the change AORD

722.4 New Members. New members who are not already participating in another household must be added no later than the month following the month in which they were reported. To do this, the State may issue a supplement. (See Section 233.)

To determine if the reported addition of a new member was properly handled for QC purposes, the reviewer must determine if the change would increase or decrease benefits.

Increase Benefits. A variance must be included if:

- The addition of a new member was reported
- The State agency failed to include the member in the month after the change was reported, and
- Verification was submitted as of the last day of the issuance month

If timely verification was provided prior to the end of the issuance month, a supplement should have been authorized in the issuance month.

Note: If a State agency pulls its QC sample prior to the sample month, and a household reports a new member on or after the sampling date, but prior to the first day of the sample month, the addition of the new household member must be examined to determine if it was properly handled. In this instance the supplemental allotment (change in regular allotment) itself is not included in the allotment subject to review. If a supplemental allotment (change in regular allotment) was authorized then no variance for this situation must be cited. However, the new household member, and any income or deductions associated with this person, must be excluded from the remainder of the review. The correctness of the amount authorized in the supplemental (change in regular allotment) is not subject to examination by QC in this situation. If a supplemental allotment (change in regular allotment) is not authorized for the new household member then a variance for failure to include the new household member must be cited.

Decrease Benefits. If the addition of a new member(s) would make the household ineligible or decrease benefits, the change must be handled the same as any other change resulting in ineligibility or decreased benefits in accordance with section 722.3 above.

Disqualified Members. When members disqualified for intentional program violations or work requirement sanctions become eligible, they must be added in the month after the disqualification period ends. Such changes must be reviewed as a reported change for QC purposes because the State agency knew about the change.

722.5 Incorrect Action. In all cases, any variance resulting from the agency acting incorrectly must be included in the error determination.

722.6 Notices of Expiration. A household's certification period may have been shortened with a Notice of Expiration because the State agency was unable to obtain sufficient information to act on a change. Any variances in these elements resulting from the change must be excluded provided:

- The sample month is the next to the last or the last month of the certification period

- The household had not refused to cooperate, and
- The household reported the change in a timely manner

Variances that occurred at the time of certification or recertification, and those resulting from changes reported in an untimely manner, must not be excluded under the provisions of Section 722.6.

723 Monthly Reporting. These procedures apply if the element was subject to monthly reporting (refer to Section 223.3).

723.1 One-Month System Where the Element was Subject to Monthly Reporting.

Unreported Changes. The following procedures apply to prospective eligibility, and/or prospective budgeting (when new members are added under prospective budgeting).

- Any variance in an element that is the result of a change which became known to the household after the budget month must be excluded from the error determination
- Any variance that is a result of a change which occurred in (or the reviewer can establish the household was aware of) during the budget month must be included in the error determination

The following procedures apply to retrospective eligibility and/or retrospective budgeting.

- Any variance in an element that is the result of a change that occurred in the budget month must be included in the error determination
- Any variance that is the result of a change which occurred after the budget month must be excluded in the error determination

Exception: When a household applies for initial benefits after the 15th of the month, and receives a combined first and second month allotment, a variance may be the result of a change that occurred in the budget month. In such situations:

- Any changes occurring in the first month, which the State agency is not required to affect for the second month, must be excluded from the error determination process

Reported Changes on the Monthly Report. The following procedure applies to prospective eligibility and/or prospective budgeting (when new members are added under prospective budgeting).

- A variance that is the result of a change which occurred (or the reviewer can establish the household was aware of) during the budget month and will continue through the issuance month must be included in the error determination

The following procedures apply to retrospective eligibility, and/or retrospective budgeting.

- Any variance that is a result of a change that occurred in the budget month must be included in the error determination
- Any variance that is a result of the agency's failure to effect a change reported on the monthly report AORD, that the State agency was required to effect, must be included in the error determination

There is an exception when a household applies for initial benefits after the 15th of the month, and receives a combined first and second allotment, a variance may be the result of a change that occurred in the budget month. In such situations any changes occurring in the first month, which the State agency is not required to effect for the second month, must be excluded from the error determination process.

New Household Members. If the household member reports on the monthly report the addition of a new member in the issuance month, for the budget month, the agency is required to effect the change in the issuance month (the sample month).

- The reviewer must determine if the issuance month's benefits properly reflect the addition of the new household member(s)
- Any variance must be included in the error determination if it is the result of:
  - The agency's failure to add the new member, or
  - The agency making an incorrect adjustment of the issuance month allotment.

State Agency Action. In all cases, any variance resulting from the agency acting incorrectly must be included in the error determination.

723.2 Two-Month System Where the Element was Subject to Monthly Reporting.

Unreported Changes. The following procedures apply to prospective eligibility, and/or prospective budgeting (when new members are added prospectively under prospective budgeting).

- Any variance in an element that is a result of a change that became known to the household after the budget month must be excluded from the error determination

- Any variance that is the result of a change which occurred in (or the reviewer can establish the household was aware of) during the budget month must be included in the error determination

The following procedures apply to retrospective eligibility and/or retrospective budgeting.

- Any variance that is the result of a change that occurred in the budget month must be included in the error determination
- Any variance that is the result of the agency's failure to effect a change reported on the monthly report AORD, that the State agency was required to effect, must be included in the error determination

Reported Changes on the Monthly Report. The following procedure applies to prospective eligibility and/or prospective budgeting (when new members are added under prospective budgeting).

- Any variance that is the result of a change which occurred in (or the reviewer can establish the household was aware of) during the budget month and is expected to continue must be included in the error determination

The following procedures apply to retrospective eligibility and/or retrospective budgeting.

- Any variance that is the result of a change that occurred in the budget month must be included in the error determination
- Any variance that is the result of a change that occurred after the budget month must be excluded from the error determination
- Any variance that is the result of the agency's failure to act on a required change that was reported on the monthly report AORD, must be included in the error determination

New Household Members. If the household member reports on the monthly report (received in the processing month) the addition of a new member (the month before the issuance month), the State agency is required to effect the change in the issuance month (the sample month).

- The reviewer must determine if the issuance month's benefits properly reflect the addition of the new household member(s)
- Any variance must be included in the error determination if it is the result of:
    - The agency's failure to add the new member, or
    - The agency making an incorrect adjustment of the issuance month's allotment

State Agency Action. In all cases, any variance resulting from the agency acting incorrectly, or failing to act, must be included in the error determination.

724 Reviewing Prospectively Budgeted Elements/Sources in an Otherwise Retrospectively Budgeted Case. Use these procedures if a State agency has a budgeting system under which an element, or a particular type of source within an element, is budgeted prospectively while other elements/sources are budgeted retrospectively.

> **Example:** A State agency elects to budget TANF income prospectively while all other types of income are budgeted retrospectively.

In this type of situation, the following review procedures apply:

Prospectively Budgeted Elements/Sources.

- These elements/sources must be reviewed in accordance with prospective budgeting procedures. Reference sections under 722 and 724.1
- Apply the procedures for reported changes to changes reported by the household, and changes which the State becomes aware of from another source

> **Example:** A State agency prospectively budgets TANF income, and retrospectively budgets all other sources of income. A change in a TANF grant would be a change that the State agency is aware of since the State agency itself is the source of the TANF income.

Retrospectively Budgeted Elements/Sources.

- These elements/sources must be reviewed in accordance with retrospective budgeting procedures
- Reference sections under 722 for change reporting elements/sources
- Reference sections under 723 for monthly reporting elements/sources

724.1 Adding New Members Prospectively to a Retrospectively Budgeted Household. In some cases, new members must be added using prospective eligibility and budgeting while the remainder of the household is retrospectively budgeted.

- This may occur in a two-month system if the new member was not already certified to receive SNAP in another household

- It may occur in other situations if the State has a waiver
- The reviewer must determine the number of months a new member is handled prospectively based on the regulations, the State's system(s) and waivers
- The new member's income and deductions from the issuance month must be added to the other household members' income and deductions from the retrospective budget month to determine the household's allotment

Verification. See Section 712.3.

Variances. If a new member was reported, the reviewer must determine if the new household member and their circumstances were handled correctly.

- Any variances resulting from the State agency's improper action must be included in the error determination

If the new member was not reported or change not acted on by the agency, the reviewer must determine whether any variance(s) can be excluded.

- Use monthly reporting procedures in Section 723 for prospective eligibility and prospective budgeting to determine if the variance(s) can be excluded

725 Quarterly Reporting. The State agency has the option of establishing a quarterly reporting system in lieu of change reporting requirements.

Exception: Households with able-bodied adults without dependents (ABAWDs) subject to the time limit, as specified in regulations, must report whenever their work hours fall below 20 hours per week, averaged monthly.

Note: Household member(s) who were not subject to ABAWD reporting requirements at the most recent certification month, but AORD become subject to ABAWD reporting requirements, must be reviewed as an ABAWD from the point in time that the change occurred.

If the State agency receives unclear information about household circumstances during the certification period, it must evaluate and act on it, as appropriate, per certification policy requirements. Unclear information is information about household circumstances that the State agency cannot readily determine the effect on the household's continued SNAP eligibility or benefit amount. This includes information that is verified, unverified, from the household, or from a third party data match. If the State receives information that is verified and the effect on the household can be readily determined, then it is not considered unclear information and the State must act on it.

For all households, regardless of the reporting system to which the household is assigned, the State must act to follow up on unclear information by sending an Request for Contact or Notice of Match Results if the information: 1) significantly conflicts with the information used to certify the household (meaning the information used to certify was incorrect); or 2) is something the household was required to report based on its assigned reporting system and less than 60 days old based on the current month of participation; or 3) if the information is from a deceased or prisoner matching system (described by certification policy rules). If the information does not meet this criteria it should be held until the next scheduled contact. Information in which the State agency did not act upon that was allowed to be held until the next required household contact (periodic report or recertification, whichever came first) cannot result in an included variance in the QC error determination.

These QC procedures apply for cases subject to quarterly reporting requirements:

- Verify sample month circumstances for the elements subject to quarterly reporting. These figures are used in the Comparison I allotment test found in Section 621
- Correct the worksheet figures for quarterly reporting elements for:
    - Misapplication of policy and computation errors by the eligibility worker, and
    - Incorrect reporting by the household at the time of the quarterly report
- Use the corrected worksheet figures for quarterly reporting elements in the error determination
- Use established review procedures for elements on the quarterly report that are voluntarily reported by the household outside the quarterly report

If the household fails to submit a quarterly report but is allowed to continue to participate, QC must use the following procedures:

- Verify actual circumstances for the sample month
- Compare them to the worksheet budget in effect AORD, and
- Cite any variances in the error determination, with the exception of specific variances described in Sections 754 - 757

QC must use the correct system in completing the review of the household's case if:

- A household was subject to quarterly reporting but was not included in the quarterly reporting system, or
- A household was incorrectly included in the quarterly reporting system

726 Simplified Reporting. The State agency has the option of establishing simplified reporting in lieu of change reporting requirements. Under simplified

reporting, households are only required to report changes that cause the household's actual ongoing gross monthly income to exceed 130% of the poverty income guideline for the household size and if households with able bodied adults (ABAWDs), subject to the time limited specified in regulations, work hours fall below 20 hours per week, averaged monthly.

State agencies have the option to allow households to either report changes within 10 days of the date the change became known to the household **or** 10 days of the end of the month in which the change occurred. In other words, States can choose for households to report either 10 days before the end of the month **or** 10 days after the end of the month.

Whichever option the State chose, it must have been applied consistently for all cases.

In general, any variances resulting from changes, other than exceeding 130% of the poverty guideline, which occur after the certification action to authorize the sample month benefits, must be excluded.

Variances that occurred prior to, or at the time of the certification action to authorize the sample month benefits must be included.

If the State agency receives unclear information about household circumstances during the certification period, it must evaluate and act on it, as appropriate, per certification policy requirements. Unclear information is information about household circumstances that the State agency cannot readily determine the effect on the household's continued SNAP eligibility or benefit amount. This includes information that is verified, unverified, from the household, or from a third party data match. If the State receives information that is verified and the effect on the household can be readily determined, then it is not considered unclear information and the State must act on it.

For all households, regardless of the reporting system to which the household is assigned, the State must act to follow up on unclear information by sending an Request for Contact or Notice of Match Results if the information: 1) significantly conflicts with the information used to certify the household (meaning the information used to certify was incorrect); or 2) is something the household was required to report based on its assigned reporting system and less than 60 days old based on the current month of participation; or 3) if the information is from a deceased or prisoner matching system (described by certification policy rules). If the information does not meet this criteria it should be held until the next scheduled contact. Information in which the State agency did not act upon that was allowed to be held until the next required household contact (periodic report or recertification, whichever came first) cannot result in an included variance in the QC error determination.

QC must use the procedures for evaluating the correctness of Time Limited Participation as specified in Section 850.7.

Note: Household member(s) who were not subject to ABAWD reporting requirements at the most recent certification action; but AORD, have become subject to ABAWD reporting requirements, must be reviewed as an ABAWD from the point in time that the change occurred.

726.1 Variance Determination. The reviewer must follow these steps in completing the error determination:

The State agency must have determined eligibility as outlined in Chapter 6. Actual verified sample month income (converted if required) is compared to the eligibility standard for the household of its size. If the household failed the eligibility test, the reviewer will determine if a reportable change occurred.

Step 1: Evaluating Compliance with Simplified Reporting Requirements.

Households are required to report changes that result in the gross monthly income exceeding 130% of the poverty income guideline for their household size.

- The reviewer must determine:
  - If any such changes occurred
  - When such change(s) occurred, and
  - If such change(s) must be included in the error determination. Actual unconverted income calculations must be shown
- Compare the sample month actual unconverted income to the gross income standard for the household
- If the sample month actual unconverted income does exceed the gross income standard, there may be a reportable change
  - The reviewer must proceed with the next step to determine whether the change occurred within the timeframes for reporting and acting on changes.

Step 2: Evaluating Timeframes for When Changes Occurred.

If the sample month was the first or second effective month of an initial certification action, the review procedures in this step shall not be undertaken, since insufficient time would have passed for any changes to occur which would be required to be acted on by the review date. The reviewer must use the corrected worksheet amounts and circumstances in the error determination.

Note: This exception will also apply if, in following the procedures in this step, the reviewer determines the following:

- The reviewer is required to examine the circumstances of a month, such as the second or third month prior to the sample month
- The reviewer determines the household was not authorized to participate in SNAP for the entire month, and
- Thus, the household was not subject to any SNAP requirements to report changes in household circumstances

Otherwise, the reviewer will proceed as follows:

- Compare the actual verified unconverted income, from the month immediately prior to the sample month, to the gross income standard for the household
- If the actual verified unconverted income from the month immediately prior to the sample month does not exceed the gross income standard; then the reportable change occurred within the sample month itself, and would be excluded from the error determination

  - The reviewer must use the corrected worksheet amounts and circumstances in the error determination. (See step 2.)

- If the actual verified unconverted income from the month, immediately prior to the sample month, does exceed the gross income standard:

  - Proceed to further evaluate whether the change occurred within the timeframes for reporting and acting on changes.

- Compare the actual verified unconverted income from the second month, immediately prior to the sample month, to the gross income standard for the household
- If the actual verified unconverted income from the second month, immediately prior to the sample month, does not exceed the gross income standard then:

  - The reportable change occurred within the month immediately prior to the sample month, and is excluded from the error determination.
  - Use the corrected EW amounts and circumstances in the error determination. (See step 2.)

- If the actual unconverted income from the second month, immediately prior to the sample month, does exceed the gross income standard then:

  - The reportable change has occurred outside of the timeframes for reporting and acting on changes, and
  - The reviewer must include the unreported change in the error determination

Important: *There are two exceptions.*

Exception 1: Requiring Examination of a Third Month:

Some State agencies have a Notice of Adverse Action (NOAA) that is 10 days. The reporting requirement for exceeding the 130% limit is to report either 10 days before the end of the month **or** 10 days after the end of the month in which the change occurred, depending on the State's option.

When the month prior to the sample month contains 30 days or less; the entire month prior to the sample month, and the entire second month prior to the sample month constitute an exclusionary period for QC purposes.

The reviewer must determine the actual unconverted income from the 3rd month immediately prior to the sample month in order to make an error determination.

The following chart shows which sample months are affected by these circumstances that may require the examination of a third month.

Month Prior	Sample Month
February (28 or 29 days)	March
April (30 days)	May
June (30 days)	July
September (30 days)	October
November (30 days)	December

Exception 2: Requiring Examination of a Third Month:

Some State agencies have a NOAA period of 10+ days. The reporting requirement for exceeding the 130% limit is to report either 10 days before the end of the month **or** 10 days after the end of the month in which the change occurred, depending on the State's option.

In these circumstances, the entire month prior to the sample month, and the entire second month prior to the sample month constitute an exclusionary period for QC purposes.

The reviewer must determine the actual unconverted income from the 3rd month immediately prior to the sample month in order to make an error determination.

Note: The following in all instances where a third month must be examined:

- If the actual unconverted income from the third month immediately prior to the sample month does not exceed the gross income standard then:

- ➢ The reportable change occurred within the second month immediately prior to the sample month, and would be excluded from the error determination
- ➢ The reviewer will use the corrected EW amounts and circumstances (see step 2) in the error determination

- If the actual unconverted income from the third month immediately prior to the sample month does exceed the gross income standard then:

  - ➢ The reportable change has occurred outside of the timeframes for reporting and acting on changes, and must be included in the error determination

For Categorically Eligible Households and Non-Categorically Eligible Households - Not subject to the gross income test (the household contains an elderly or disabled member):

- The reviewer must include the unreported change in the error determination by completing an allotment determination based upon household circumstances at the time immediately prior to the QC exclusionary time frame for the case

Exception: If the State agency;

1) Has implemented the 130% reporting requirement in Simplified Reporting by giving the household a flat figure based on the number of persons in the household at the time of certification and instructing them to report when the household exceeds that figure, and

2) The QC reviewer discovers that for the months that must be examined, the household's income exceeded the gross reporting limit that the household was given, and

3) The QC reviewer discovers that an additional person has joined the household, and although the household's actual unconverted income exceeded the reporting figure, it did not exceed the gross income limit for the new household size, then:

- The QC reviewer will not determine the household ineligible. Instead, the QC reviewer must:

  - ➢ Complete the error determination with an allotment based on all of the household's circumstances for the time immediately prior to the exclusionary time frame for the case
  - ➢ These are the same instructions that the QC reviewer follows in completing the error determination on categorically eligible households,

and also for non-categorically eligible households not subject to the gross income test (the household contains elderly or disabled members)

Note: If the benefit calculation results in a zero allotment; the household must not be determined as ineligible. The QC result would be an eligible case, with a zero allotment.

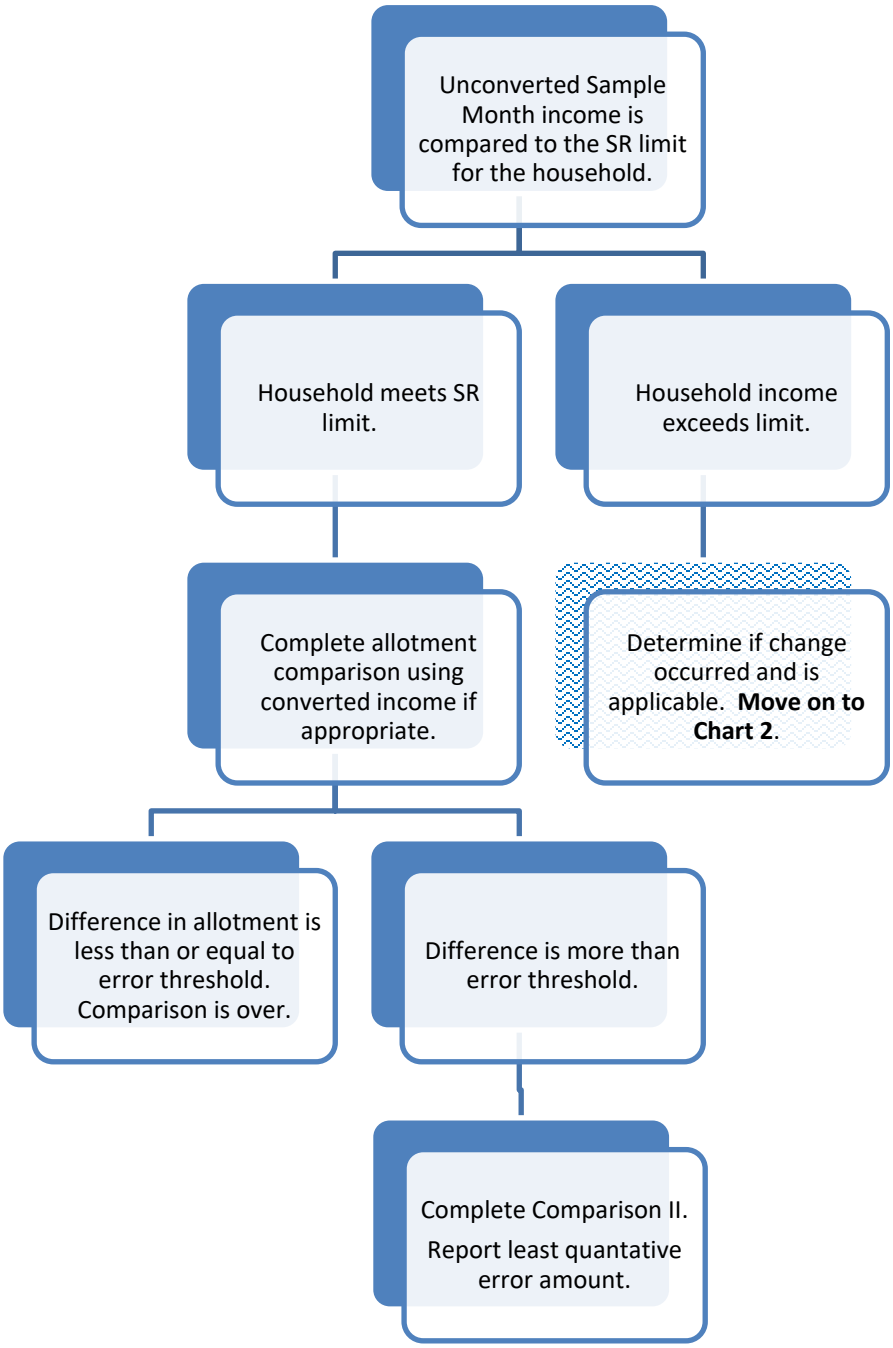
Simplified reporting households are not required to report any changes in circumstances other than exceeding 130% of the poverty income guideline.

Exception: ABAWD households must report any changes in work hours that fall below 20 hours per week, averaged monthly, during the certification period.

As a result, QC must use the procedures in this section in the error determination process if a change has been processed since the initiation of the certification period.

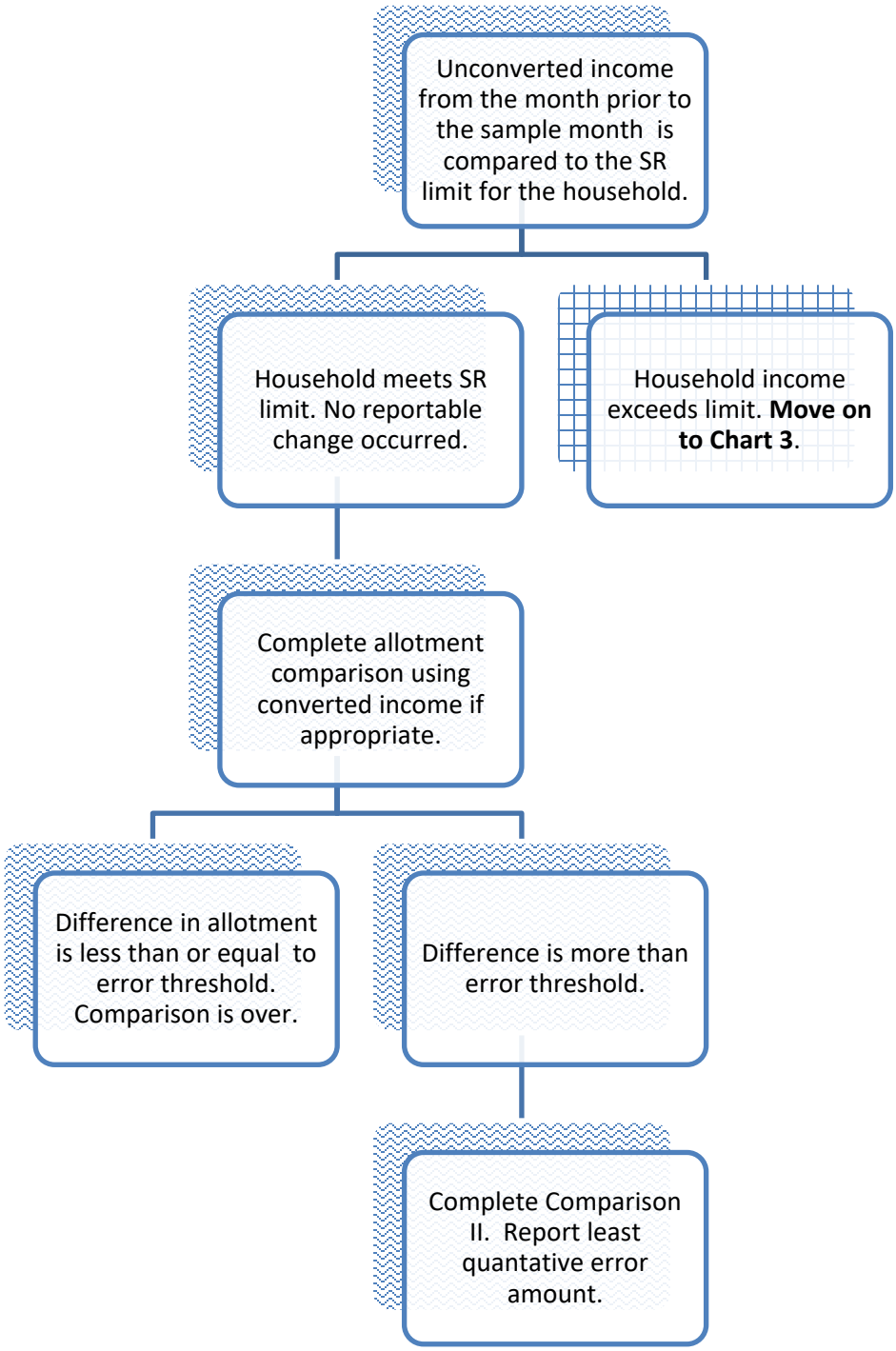
The income is not converted when comparing the household income to the Simplified Reporting (SR) limit. When completing the allotment comparison the income is converted if appropriate.

Chart 1



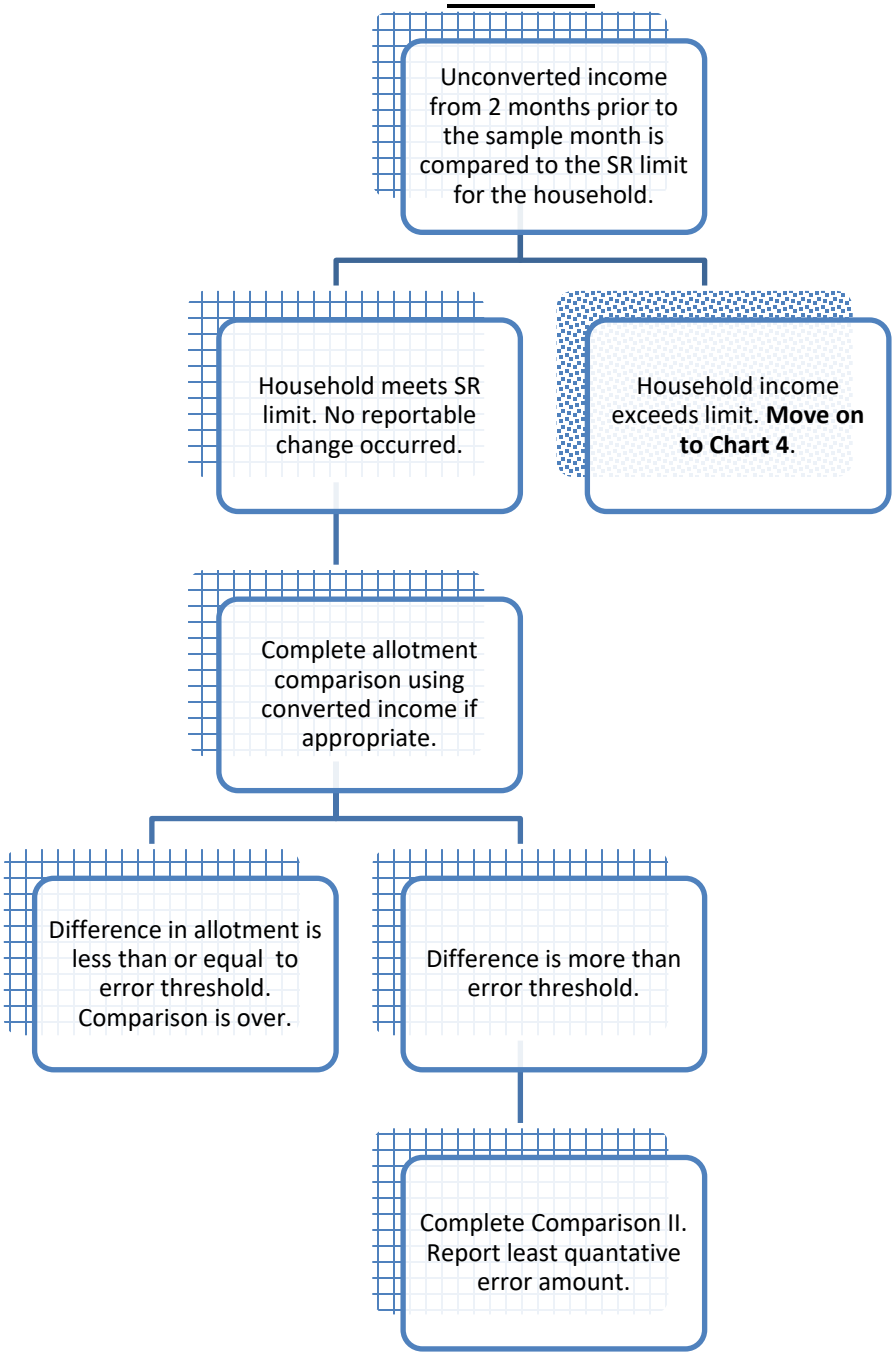
Unconverted household income exceeded the SR limit for the household in the sample month. Determine if there was a reportable change by looking at the income for the month prior to the sample month.

Chart 2



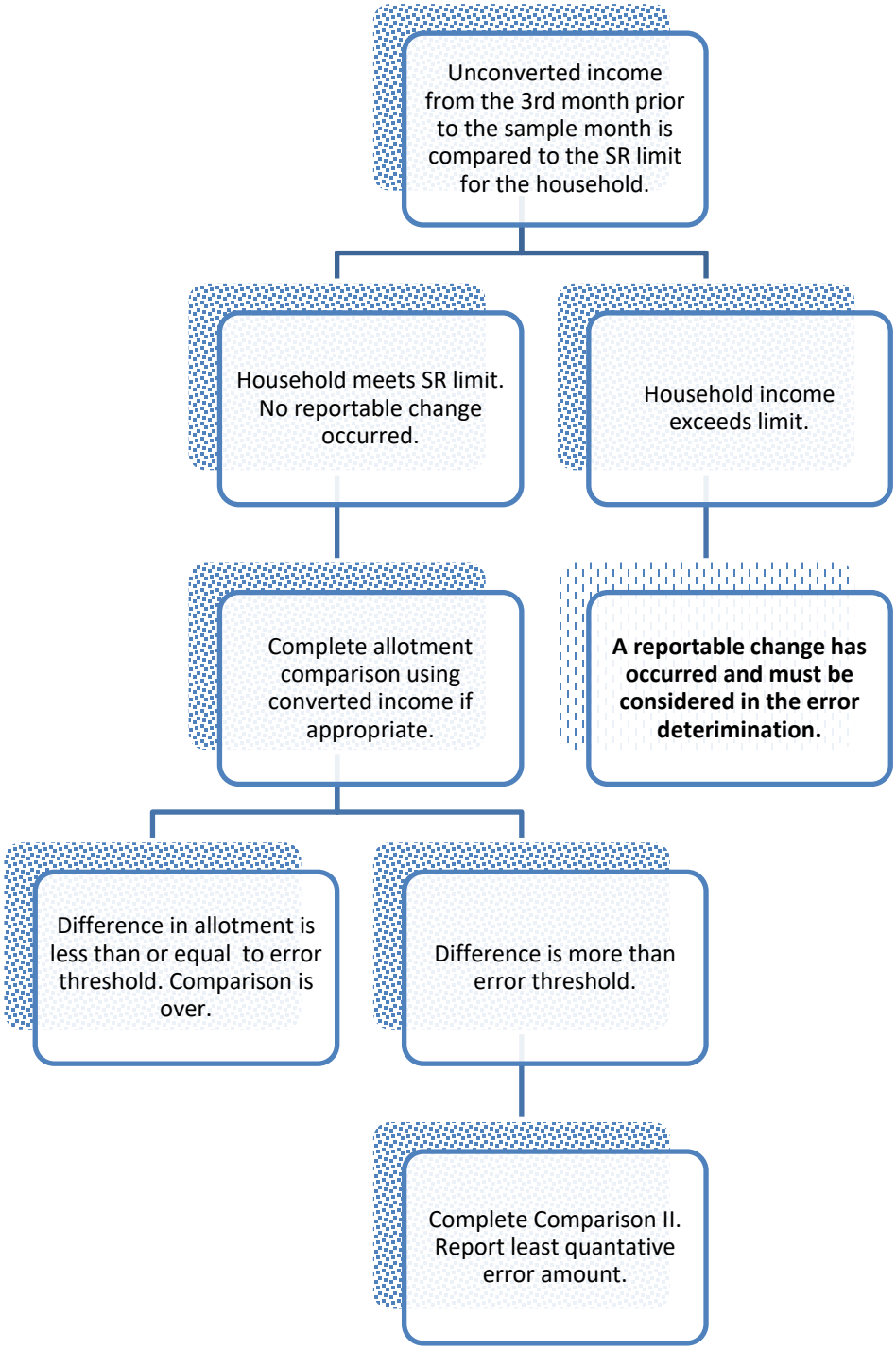
Unconverted household income exceeded the SR limit for the household in the month prior to the sample month. Determine if there was a reportable change by looking at the income two months prior to the sample month.

Chart 3



An examination of the third month is required only when the month prior to the sample month contains 30 days or less, or if the State agency has Notice of Adverse Action (NOAA) period of 10+ days.

Chart 4



727 Transitional Benefits. Transitional benefits are an option a State may choose to provide to households when they leave TANF or to households with children leaving an eligible State-funded cash assistance program (SFCA) that is offered statewide. The TANF/SFCA case must be closed prior to the household's receipt of transitional benefits.

- A State may make this option available to "pure" TANF households (households in which all members are in receipt of TANF benefits), or
- A State may also choose to provide transitional benefits to mixed TANF households (households containing both TANF recipients and members who are not receiving TANF benefits), and
- A State may also choose to provide transitional benefits to households with children in a SFCA that is offered statewide.

If a State chooses to provide transitional benefits:

- A household may receive the benefits for a period of not more than 5 months after leaving the TANF/SFCA program
- The eligibility worker must recalculate the household's SNAP allotment by removing the TANF/SFCA benefits to determine the household's transitional benefit
- Those benefits are frozen at the new amount throughout the household's transitional period

States providing transitional benefits have the option to further adjust the household's benefit in the transitional period. The State may opt to take into account changes in circumstances it learns from another program in which the household participates.

In addition, in order to prevent duplicate participation, States must act when a household member leaves a transitional benefit household and joins another SNAP household.

Focus of the QC Review for Transitional Benefits. The focus of the QC review will be on whether the household is eligible to receive transitional benefits and whether those benefits were calculated correctly. The reviewer must determine whether:

- The State chose the option to act on changes from another program in which the household participates, or
- The State agency became aware that a household member transferred to another SNAP household

727.1 Determining Eligibility for Transitional Benefits. The reviewer must determine if the household meets any of the following criteria that would render the case ineligible to receive transitional benefits:

- The household lost its TANF/SFCA cash assistance because of a sanction
- The household was disqualified from SNAP
- The household is once again receiving TANF/SFCA benefits
- The household is in a category of households designated by the State agency as ineligible for transitional benefits

QC must use standard review procedures rather than the review procedures for transitional benefits specified in this section if:

- QC verifies that any of the above conditions apply, or
- The transitional period was longer than allowable

If the eligibility worker failed to establish transitional benefits for a household that should have been receiving transitional benefits, the case must be reviewed using procedures specified in this section rather than the standard review procedures.

727.2 Changes after the Initial Authorization of Transitional Benefits. The State agency is only allowed to adjust transitional benefits under two circumstances:

1. Based on information reported from another program in which the household participates, if the State agency opted to act on these changes, and
2. The state agency has become aware that a household member transferred to another SNAP household. The State agency must act on this change in order to avoid duplicate participation.

However, the household may choose to be recertified at any time during the transitional period. Changes after the initial authorization of transitional benefits must be reviewed as follows:

State opted to act on changes reported by another program in which the household participates.

- If the eligibility worker has changed the authorized transitional benefit as the result of the state's option, and the action is in effect AORD; then the reviewer must determine the correctness of the new transitional benefit (See Section 727.3.)
- If the eligibility worker failed to change the authorized transitional benefits as the result of such a change, and the change should have been in effect AORD; then a variance exists
- QC must complete the error determination using the corrected amounts from the time of the reported change

State opted not to act on changes reported by another program in which the household participates.

- If the eligibility worker has changed the authorized transitional benefit, and the state has not chosen the option; then a variance exists
- QC must complete the error determination using the corrected amounts from the time of the initial authorization of transitional benefits (See Section 727.3.)

The household chose to be recertified. The household has an option of being recertified at any time during the transitional benefit period, thus ending transitional benefits. Those cases will be reviewed using standard review procedures.

Duplicate Participation. If a transitional benefit household member moves out and becomes a member of another certified household, the eligibility worker must act on this change to avoid possible duplicate participation.

- The person leaving (along with that person's income and deductible expenses) must be removed from the transitional benefit household

If the eligibility worker failed to change the authorized transitional benefits as the result of such a change, and the change should have been in effect AORD; then a variance exists.

- The reviewer must complete the error determination using the corrected amounts from the time of the change

If the eligibility worker changed the authorized transitional benefits as the result of such a change, and the action is in effect AORD; then the reviewer must determine the correctness of the new transitional benefit in accordance with the procedures in Section 727.3.

727.3 Variance Determination. There are separate procedures to follow depending on whether the State has chosen the option to act on changes.

Note: The procedures for when the State has chosen the option to act on changes must also be followed in situations when a household member leaves a transitional benefit household and joins another SNAP household.

The reviewer must follow these steps in completing the error determination:

The State did not choose the option to act on changes from another program in which the household participates:

Allotment Test Comparison I is not done first in this process.

Using the steps below, if the transitional benefit is correctly calculated, the review process is minimized by eliminating verification of the sample month circumstances.

Step 1. Determine whether the household is eligible to receive transitional benefits.

Step 2. Determine whether the transitional benefit amount was correct based on the SNAP allotment authorized prior to the calculation of the transitional benefit.

a) Use the SNAP benefits for the last month TANF/SFCA benefits were received
b) Subtract the TANF/SFCA benefit, then
c) Recalculate the SNAP benefits

- If there is not a difference greater than the current FY error threshold, the case is correct and the QC review process is over
- If there is a difference greater than the current FY error threshold, go to step 3

Step 3. Verify the sample month's amounts and circumstances. Calculate a benefit amount based upon the sample month circumstances and compare to the allotment actually received.

Note: This step is similar to Comparison I in the QC review process and provides the State a second opportunity to have a correct case.

- If the difference is less than or equal to the current FY error threshold, the error is not included in the calculation of the official error rate for the State agency and the QC review process is over
- If the difference is greater than the current FY error threshold, the error is included in the calculation of the official error rate for the State agency

Important: Use the lower amount from either step 2 or step 3.

The State chose the option to act on changes from another program in which the household participates, or a household member leaves a transitional benefit household and joins another SNAP household:

Allotment Test Comparison I is not done first in this process.

Note: Using the steps below, if the transitional benefit is correctly calculated, the QC review process is minimized by eliminating verification of the sample month circumstances.

Step 1. Determine whether the household is eligible to receive transitional benefits.

Step 2. Determine if any changes occurred that were required to be included in the transitional benefit calculation because:

- They were reported to another Program and acted upon, or
- A household member left the transitional benefit household and joined another SNAP household

Step 3. Determine whether the transitional benefit amount was correct.

a) Use the SNAP benefits for the last month TANF/SFCA benefits were received,
b) Subtract the TANF/SFCA benefit,
c) Account for any changes that should have been made, then
d) Recalculate the SNAP benefits.

- If the difference is less than or equal to the current FY error threshold, the error is not included in the calculation of the official error rate for the State agency and the QC review process is over
- If the difference is greater than the current FY error threshold, go to step 4

Step 4. Verify the sample month's amounts and circumstances. Calculate a benefit amount based upon the sample month circumstances and compare to the allotment actually received.

Note: This step is similar to Comparison I in the QC review process and provides the State a second opportunity to have a correct case.

- If the difference is less than or equal to the current FY error threshold, the error is not included in the calculation of the official error rate for the State agency and the QC review process is over
- If the difference is greater than the current FY error threshold, the error is included in the calculation of the official error rate for the State agency

Important: Use the lower amount from either step 3 or step 4.

730 BEGINNING MONTHS. Households, otherwise subject to retrospective budgeting, are certified under prospective eligibility and budgeting during "beginning" months.

- The first beginning month cannot follow any month in which the household was previously certified
- QC must determine which households are eligible for beginning month treatment and if the State had one or two beginning months

731 Verification Time Periods. Households entitled to "beginning month" treatment are subject to prospective eligibility and benefits. QC must verify

household circumstances AORD, except for income and deductions which must be verified for the entire issuance month.

- Monthly income may be averaged or converted during beginning months.

732 Changes. Beginning month treatment does not affect the household's reporting requirements unless the State has a waiver. Therefore, the following procedures apply.

732.1 Elements Subject to the Change Reporting Requirements. Use the change reporting procedures in Section 722.

732.2 Elements Subject to the Monthly Reporting Requirements. This section applies the monthly reporting requirements to prospective budgeting for beginning months.

- **First Beginning Month.** When the sample month is the first beginning month, all unreported changes that became known to the household after the interview are excluded.
- **Second Beginning Month.** When the sample month is the second beginning month, use the following procedures:

  A. **One-Month System.** Any unreported changes that occurred or became known to the household prior to the budget month, and will continue through the budget month must be included in the error determination. Exception: When a household applies for initial benefits after the 15th of the month, and receives a combined first and second allotment, a variance may be the result of a change that occurred in the budget month. In such situations, any changes that occurred or became known during the budget month must be excluded from the error determination process. For reported changes, use the procedures in Section 723.1.

  B. **Two-Month System.** For the second beginning month, all unreported changes that became known to the household after the interview must be excluded. Variances resulting from changes that occurred or became known to the household prior to that time must be included. If a household applies in one month, but is not interviewed until the following month, the first monthly report will not be due until the third month.

  In such cases, the missing report review procedures in Section 751 shall not apply for the first three months.

740 MASS CHANGES.

741 General. State agencies are required to change the benefit level of individual households when certain Federal and State agency changes are made which affect the entire SNAP caseload or a significant portion of the caseload.

Individual notices of adverse action cannot be sent for these changes.

Variances must be included in the error determination when they result from:

- Untimely implementation as defined by certification requirements, or
- Incorrect implementation.

741.1 Regulatory Changes. When Federal SNAP regulations are changed, the implementation dates are specified in the regulations.

- For prospective eligibility and prospective allotments, the implementation date is that specified in the regulations
- For retrospective eligibility and retrospective allotments, the implementation date is the first budget month that includes the implementation date

Example: If the implementation date for a new regulation is January 1, the first allotment in a two-month, retrospective system is the March allotment.

This policy applies to all Federal SNAP changes unless otherwise specifically stated in the regulations except for adjustments to:

- Eligibility standards
- Allotments, and
- Deductions that go into effect for all households at the same time

See instructions in Section 741.2.

Variances must be included in the error determination if they are a result of:

- Untimely application of changes as a result of a revision to regulations, in accordance with certification requirements, or
- Incorrect implementation

See Section 756 for instructions regarding the 120-day variance exclusion period.

741.2 Periodic SNAP Adjustments. Federal adjustments to the eligibility standards, allotments, and deductions and any annual seasonal State adjustments to

utility standards go into effect prospectively for all households at a specific point in time.

Variances must be included in the error determination that result from:

- Untimely implementation as defined by certification requirements, or
- Incorrect implementation

741.3 PA Changes. The State agency must change SNAP benefits in the same month as the PA change when it has at least 30 days advance knowledge of the amount of overall adjustments to PA payments. If the State agency has less time, it is required to make the SNAP change no later than the month following the PA change.

Variances that result from untimely processing, in accordance with certification requirements, or incorrect processing of SNAP changes must be included in the error determination.

This section also applies to GA mass changes if the State agency administers the GA program.

741.4 Social Security and Other Federal Mass Changes. State agencies are required to make SNAP changes to reflect cost-of-living adjustments (COLAs) and any other mass changes under Retirement, Survivors, and Disability Income (RSDI); SSI and other Federal programs such as veterans, assistance under Title 38 of the United States Code and the Black Lung Program when information on COLAs is readily available and applicable to all or a majority of those programs' beneficiaries.

- **Monthly Reporting Households.** These households are required to report income changes resulting from Federal mass changes (other than PA) on their monthly reports. The reviewer must handle such changes as any other income change that was required to be reported on the monthly report. Refer to Section 723 on monthly reporting to determine which variances to include.
- **Non-monthly Reporting Households.** The State agency is required to automatically adjust the SNAP benefit level for households affected by these mass changes. Variances resulting from untimely processing, in accordance with certification requirements, or incorrect processing of SNAP changes must be included in the error determination. (The reviewer should check to see if the State agency's procedures provide for using a flat percentage rather than the exact amount of a Social Security or SSI change.) The SNAP change must be made no later than the second allotment after the change in income became effective. For retrospectively budgeted households, the change must not be made prior to the first budget month it became effective.

Example: An increase in SSI in January in a two-month retrospective system would be made when January becomes the budget month, i.e., March.

750 OTHER INCLUDED AND EXCLUDED VARIANCES. Refer to Chapter 6 for the error determination process, Chapters 8-11 for errors by specific element.

751 Missing Reports. QC must not determine the household ineligible solely because a required report is missing.

The reviewer must determine if the household failed to return the report or if the report was returned and is missing. The reviewer must document the 380 worksheet with the case circumstances.

The reviewer must do the following if the report was not sent to the household by the State agency or was never returned by the household (documentation should clearly indicate which situation is applicable):

- The reviewer must verify the household's actual circumstances for the appropriate sample or budget month and compare them to the EW worksheet.
- Variances that result when there is a missing report must be included in the error determination, except specific variances described in Sections 754-757

The reviewer must do the following if the report was returned and is missing:

- The reviewer must verify household’s circumstances for the missing report. Verified sample month circumstances must be compared to the information gathered for the missing report. If the difference in the allotment exceeds the error threshold, Comparison II will be examined using actual verified circumstances from the missing report
- Variances that result when there is a missing report must be included in the error determination, except specific variances described in Sections 754-757

752 Expired Certification Periods. The reviewer must not determine a household ineligible solely because its certification period has expired.

- The reviewer must verify the household's actual circumstances for the appropriate sample or budget month and compare them to the EW worksheet
- Variances which result must be included in the error determination, except specific variances described in Sections 754-757

753 Expedited Service. For expedited service cases, variances in elements for which verification was postponed are excluded provided the household's identity was verified and the verifications that were postponed were documented at the time of the expedited certification. Such elements need not be verified by the reviewer. This provision only applies to households certified in the sample month that were:

- Correctly processed under the procedures for expedited service, and
- Entitled to expedited services (based on the application and, if applicable, the household's declaration during the interview)

The review procedures in Section 753 do not apply if the EW's lack of documentation or lack of documentation of postponed verification prevents the reviewer from determining the case was certified under expedited procedures.

Variance exclusions:
The provision that variances will be excluded in elements for which verification was postponed normally is applicable only to the first months' issuance. However, in some situations, the household applies after the 15th of the month and is entitled to both expedited service and waived verification for the first and second months' benefits. In such situations the variance exclusion provisions of this section apply to appropriate elements for both of those months.

Determinations made after application:
In some circumstances, a household may not be determined eligible for expedited service at the time of application, but later determined eligible during the interview. The provisions in this section apply provided the cause for the change in expedited determination is based on one of the following reasons:

- The household was not determined eligible for expedited service at the time of application due to insufficient information on the application to make that determination, or
- The household's circumstances changed between the time of application and the time of the interview such that the household became eligible for expedited service after the application was submitted

Documentation requirements:

- Explain how QC determined the case was eligible for expedited services;
- Document what month(s) expedited service covers;
- Document the elements of eligibility of postponed verification and what verification was postponed according to the documentation in the certification case file; and
- Clear any discrepancies between determination of eligibility for expedited services based on the application and, when applicable, the household's declaration during the interview

754 Information from a Federal Source. Any variance resulting from the State agency's use of inaccurate information provided by a Federal source is excluded provided that such information was processed correctly by the State agency.

755 SAVE. Two variances relating to the Systematic Alien Verification for Entitlements (SAVE) program are excluded.

- A variance based on a verification of non-citizen documentation by the US Citizenship and Immigration Service(USCIS) if the State agency properly used SAVE and the State Agency provides the reviewer with:

    1. The non-citizen's name
    2. The non-citizen's status, and
    3. Either the Alien Status Verification Index (ASVI) Query Verification Number or the USCIS Form G-845, as annotated by USCIS

- A variance based on the State agency's wait for the response of USCIS to the State agency's request for official verification of the non-citizen's documentation if the State agency properly used SAVE and the State Agency provides the reviewer with either:

    1. The date of request if the State agency was waiting for an automated response, or
    2. A copy of the completed Form G-845 if the State agency was waiting for secondary verification from USCIS.

756 Application of New Regulations. The reviewer will exclude variances resulting from the application of a new SNAP Federal regulation or implementing memorandum for a 120-day period of time in accordance with specific instructions contained in the regulation or implementing memorandum, provided that the State agency has implemented the regulation. The variance exclusion period will only fully apply if the State agency has implemented the regulatory change in a timely manner and in accordance with the provisions of the regulatory change.

757 Federal Written Policy. The reviewer will exclude variances resulting from incorrect written policy that a State Agency acts on that is provided by a USDA employee authorized to issue SNAP Policy and that the State agency correctly applies.

Chapter 8
NON-FINANCIAL ELIGIBILITY CRITERIA

800 GENERAL. This chapter discusses verification requirements and error determination for non-financial eligibility criteria.

810 AGE AND SCHOOL ATTENDANCE.

811 Age - 110. Age may be verified for all household members. Age must be verified when eligibility and/or allotment are affected. For example, students under 18 years of age with earned income, or persons age 60 and over with medical expenses or resources.

For ***standard verification*** the reviewer will use the following:

- Birth certificate
- Adoption papers or records
- Hospital or clinic records
- Church records
- Baptismal certificate
- Bureau of Vital Statistics
- U.S. passport
- Family Bible records
- Indian census records
- Workforce Innovation and Opportunity Act (WIOA) of 1998 document assigning to or placing in an institution of higher learning
- Social Security records
- Military records
- School records, or a statement signed by school authorities
- Census records
- Driver's license
- Court support order
- Juvenile court records
- Child welfare records
- State issued identification

812 School Enrollment. School enrollment must be verified for children under 18 who have earned income. School enrollment is also verified with respect to household members who are 18 and over, but under 50 and enrolled in post-secondary, vocational, trade, etc., schools; and to "students" as defined by SNAP who are enrolled in institutions of higher education.

When the head of household declares a child under 18 with earned income is not

attending school, their declaration on school attendance need not be verified. The earnings of that child, however, must be verified and budgeted in accordance with procedures in Chapter 12.

812.1 Student Status - 111. A person enrolled at least half-time in an institution of higher education is not eligible to participate in the SNAP unless the person meets certain eligibility criteria. The enrollment status begins on the first day of the school term. Enrollment is deemed to continue through normal periods of class attendance, vacation and recess unless the person:

- Graduates
- Is suspended or expelled
- Drops out, or
- Does not intend to enroll for the next normal school term (excluding summer school)

812.2 Standard Verification. School Authorities.

820 CITIZENSHIP AND NON-CITIZEN STATUS - 130. Only citizens and certain legal non-citizens are eligible to participate in SNAP.

821 U.S. Citizenship (By Birth or Naturalization). When a household's statement that one of its members is a U.S. citizen is questionable, the reviewer must verify whether or not the person is a citizen.

For ***standard verification*** the reviewer will use the following:

- Birth certificate
- Naturalization papers from the United States Citizenship and Immigration Services (USCIS) such as USCIS Forms I-179 or I-197
- Passport
- Hospital record of birth
- Baptismal record, only when place and date of birth is shown
- Family Bible
- Military service papers
- Indian census records
- Voter registration card

If none of the above is available and the household can provide a reasonable explanation why verification is not available, the reviewer may accept a signed statement from someone who is a U.S. citizen who declares, under penalties of perjury, that the member in question is a U.S. citizen.

The signed statement must contain a warning of the penalties for helping someone

commit fraud, such as, "If you intentionally give false information to help this person get SNAP benefits, you may be fined, imprisoned, or both."

822 Non-Citizen Status. If a household member is not a citizen, the reviewer must verify non- citizen status. Verification is not required if the household member elected not to participate in SNAP, because they did not wish to provide their immigration status or Social Security Number. Verification of non- citizen status can only be accomplished through the documentation specified for use at certification.

There are two basic ways that a non-citizen may participate in SNAP.

1) There are some individuals who are eligible based upon their origin such as:
    - American Indians born outside the US
    - American Indians eligible for special programs and services
    - Hmong or Highland Laotian, spouses and dependent children

2) There are other individuals who must be qualified and eligible:

    i. Qualified
        - Lawfully admitted for permanent residence
        - Granted asylum
        - Refugees
        - Paroled into US for at least 1 year
        - Deportation being withheld
        - Granted conditional entry
        - Battered or subjected to extreme cruelty in US
        - Cuban or Haitian entrant
        - Victims of trafficking as defined by Section 207 of the Immigration and Nationality Act (INA)

    ii. Eligible (must meet an eligibility requirement to receive SNAP)

        - Residing in the US for at least 5 years
        - 40 quarters of coverage by Social Security Administration (SSA)
        - Time limitation under certain qualifications
        - Military connection
            a. veteran
            b. active duty
            c. spouse/dependent of a veteran or active duty
        - Lawfully residing in US and one of the following:
            a. receiving assistance for the blind or disabled
            b. residing in the US on 8-22-1996, and born on or before 8-22-1931
            c. now under 18 years old

- Verification of qualifying status and eligibility are done following certification guidelines. In the case of immigrant status, use only USCIS documentation and DOJ guidance to verify qualifying status and eligibility status. Some individuals will require additional verification of quarters of coverage or military related requirements
- In the case of non-citizens who qualify for participation in the program as a result of veteran status or military service, the reviewer must verify the status of the individual through the use of Department of Defense (DOD) records and forms. Only DOD documentation is acceptable to verify the military service status of these individuals
- In the case of non-citizens who qualify for participation in SNAP as a result of 40 qualifying quarters of work, the reviewer must verify the eligibility of the individual(s) through information from SSA records made available to the State agency, or through employer work records. Reviewers are not required to reverify the status of the non-citizen with SSA if information is available from the State Verification and Exchange System (SVES), which confirms the status of the non-citizen, and the quarters of coverage history system (QCHS), which provides the number of qualifying quarters of work

822.1 Reviewer Contact with USCIS. Only USCIS documentation is acceptable. If verification in the case record is not adequate and the non-citizen is unable to provide USCIS documentation, the reviewer must obtain the non- citizen's written consent before contacting USCIS for verification of non-citizen status. If the non-citizen will not provide written consent, the reviewer must not contact USCIS. If verification of eligible non-citizen status is not provided or not provided on a timely basis, the non-citizen must be considered ineligible.

822.2 Variances. A case must be reported as containing a client-caused variance if the reviewer determines:

- A household member(s) reported to be a U.S. citizen or an eligible non-citizen is actually not a citizen or is an ineligible non-citizen

A case must be reported as containing an agency-caused variance if the reviewer determines:

- The agency had information of the status of the household member(s) as non-citizen(s) that did not meet the criteria of any of the classes eligible for participation in SNAP, and failed to take appropriate action to remove the individual(s), or
- The eligibility worker failed to verify the eligibility status of a non- citizen, as required, and the non-citizen is ineligible for SNAP

In making the error determination, the reviewer will exclude the ineligible member(s) in determining SNAP benefits for the sample month. The income and resources of any ineligible member(s) shall be handled in accordance with certification policy.

In addition, if the reviewer determines that any eligible non-citizen(s) have been improperly excluded from the household, then a variance will be cited. The error determination will be completed by including the eligible non- citizen(s) in the household.

Apply appropriate time frames and requirements for reporting and acting on changes in the household circumstances. Deficiencies, other than those referenced above, must not be included in the error determination.

823 Reports Concerning Illegal Non-citizens. If the reviewer determines the presence in the household of a person or persons who have entered or remained illegally in the United States, QC staff must:

- Determine if USCIS has declined a deportation action, as indicated by documentation in the case record. If there is documentation that USCIS has declined deportation, Section 823 does not apply, and this must be documented on the FNS-Form 380
- Enter this information on the worksheet in column 3
- Forward a report to the local agency identifying the illegal non-citizen as a non-household member
- Not contact USCIS regarding information obtained relative to illegal non-citizens

830 RESIDENCY - 140. The reviewer must determine that the household resided in the state or project area as of review the date (AORD). In unusual cases (such as homeless households, some migrant farmworker households or households newly arrived in the area) where verification of residency cannot reasonably be accomplished, the reviewer must document that he/she attempted to verify residency. Verifications for other elements can be used to verify residency, like shelter or utility verifications. Verification of residency is not required for categorically eligible households.

831 Standard Verification. The reviewer may use, but is not limited to, the following:

- Statement from a non-relative landlord
- Rent or mortgage receipt from non-relative landlord showing the address given
- Official records confirming ownership of a house at the address given

- Employer's statement
- List of residents from a responsible official of a drug/alcoholic treatment center or group home, who is not the household's authorized representative
- Tax office records
- Post Office records
- Church or synagogue records
- Utility company records or bills
- Signed statement, or documented verbal statement, from non- relative
- Item of mail with household name and address with postmark or date AORD
- Other property records
- Current driver's license
- Department of Motor Vehicles document(s)
- Voter Registration

832 Resident of Institution. If a household is found to have been a resident of a type of institution which makes the household ineligible, that fact must be documented under this element and also noted under Element 150 - Household Composition.

Documentation must include the type of institution, name and title of person providing information, institution name, address, phone number and date of contact.

840 HOUSEHOLD COMPOSITION AND LIVING ARRANGEMENT - 150. The reviewer must determine household composition. This is done by verifying and documenting:

- If any individuals were included in the household who should not have been included or should have been determined an ineligible household member
- If any individuals were not included in the household who should have been included; and
- Who these individuals were

This includes household eligibility with respect to residence in institutions as verified under Element 140 RESIDENCY.

841 Categorically Eligible Households. The reviewer must first verify the household's correct composition.

The reviewer must then verify whether all household members received or were authorized to receive Public Assistance (PA), Supplemental Security Income (SSI), State or local General Assistance (GA) payment or benefits from a State Program conferring categorical eligibility.

The reviewer must then determine certain household characteristics that would prohibit households or individuals in households from being eligible under categorical eligibility procedures.

The entire household must not be considered categorically eligible and must be reviewed under all regular SNAP eligibility and benefit provisions if:

- Any member of the household has been disqualified for an Intentional Program Violation (IPV)
- The household has refused to cooperate in providing information to the State agency that is necessary for making a determination of eligibility or for completing any subsequent review of its eligibility
- The household is ineligible under striker provisions
- The household is ineligible because it knowingly transferred resources for the purposes of qualifying or attempting to qualify for SNAP
- The household has failed to comply with monthly reporting requirements
- Any member failed to comply with workfare requirements
- The head of household has been disqualified for failure to comply with work requirements, or
- Any member of the household has been found ineligible by virtue of a drug-related felony conviction

If categorical eligibility is conferred by a State Program, the reviewer must verify the case record is documented as such and review the case as categorically eligible, unless one of the prohibitions above exists or existed at the time of the last certification action that established categorical eligibility.

When determining household composition, certain individuals are prohibited from being included as members of a categorically eligible household and will usually be ineligible, generally, from participating in SNAP. For these individuals, they must be removed from the household and their participation, including any resources, income, or deductions, must be reviewed under all normal SNAP eligibility and benefit determination rules while the remaining household is reviewed under categorical eligibility if otherwise eligible. Such individuals include:

- Ineligible non-citizens
- Ineligible students

- Disqualified for failure to provide or apply for an SSN
- SSI recipients in a cash-out State
- Persons institutionalized in a nonexempt facility, and
- Individuals, other than the head of household (in which case the prohibition from categorical eligibility is extended to the whole household, as indicated above), who are found ineligible for failure to comply with work requirements

The reviewer need not review the following elements of eligibility which are deemed by categorical eligibility. Included variances cannot exist in these elements:

- Resources
- Gross and net income limits
- Social Security Number (SSN)
- Residency, and
- Sponsored non-citizen information

Although categorically eligible households are exempt from gross and net income limits, the reviewer is still required to determine the household's income for the appropriate budget/sample month in order to establish the correct benefit level.

842 Method of Verifying Household Composition. Household composition must be established early on in the review process to ensure an efficient, effective and conclusive review. Because household composition will typically be explored early in the interview process, it is presented here as a series of sequential inquiries to guide the reviewer to some of the more common situations affecting household composition. The issues discussed here are not inclusive of all possible issues but provide a framework for the reviewer to follow. Documentation of all household composition agreements and disagreements by the household must be included on Form FNS-380.

842.1 Household Statement and Reviewer Inquiry About Membership. During the interview, the reviewer must:

- Ask the household to state who was in the household AORD
- Ask the household if there were any other household members AORD and
- Ask the relationship or significance among the various individuals in the household AORD

Based on the results of this inquiry, the reviewer will obtain statements and information from the household that either agrees with or contradicts information discovered during the case record review. The reviewer will first attempt to clarify and resolve discrepancies on household composition with the household before

contacting collateral contacts, as required, to ensure any discrepancies that cannot be resolved by the household will be addressed with minimal burden on collateral contacts, such as multiple discussions with the same collateral contact. The reviewer's actions before contacting the collateral contact, then, will be guided by the household's initial responses as they relate to the case record and are as follows:

1. **Household Statement Agrees with Case Record.** If the household's statement agrees with the case record, the reviewer must:

    - Document this and obtain the name of a collateral contact the household believes to be best able to verify household composition
    - Obtain verification from other collateral contacts if the household cannot provide a collateral contact. Possibilities include:

        - Landlords
        - School officials
        - Ministers
        - Physicians
        - Visiting nurses, and
        - Neighbors

The criteria for acceptable collateral contacts for this element are discussed in Section 842.2.

2. **Household Statement Disagrees with Case Record.** The reviewer must ask about the status of individuals if the household's statement:

    - Includes person(s) not listed in the case record as member(s) of the household, or
    - Does not include person(s) listed in the case record as member(s) of the household

When the household statement disagrees with the case record, the reviewer must clear this discrepancy. To do so, the reviewer's actions will depend upon the manner in which the household has responded to the difference in household composition.

- **Additional Members.** When the discrepancy regards an additional household member not found in the case record and the:

    - **Household Acknowledges Other Members.** If the household acknowledges other members, the reviewer must obtain the appropriate information about those individuals and proceed with routine verification using collateral contacts

- **Household Denies Any Other Members.** Reviewer action when the household denies that there were additional household members depends on whether there is reason to doubt the household's statement
- **Reviewer Has No Reason to Doubt Household's Statement.** If the reviewer has no reason to doubt the household's denial of any other members AORD, and there is no evidence to the contrary, then further discussion with the household about this matter is not necessary
- **Reviewer Has Reason to Doubt the Household's Statement.** There are several reasons why a reviewer may doubt the household's statement. For example, the reviewer may observe other individuals in the house or evidence of others living there. When a reviewer has reason to doubt a household's denial of others in the household, the reviewer must specifically question the household about this

- **Unreported Member.** When the discrepancy regards a household member that the household asserts should not be included and the:

  - **Household Disclaims Person Shown in Case Record.** If the household asserts that a person shown in the case record was not a member AORD, the reviewer must obtain and document the household's statement of where the person was AORD
  - **If the household asserts that the person was elsewhere**, the reviewer must verify that statement using collateral contacts or other evidence
  - **If the household admits that the person was present but claims he/she is not a household member,** the reviewer must obtain specific information about the person to determine their status using household composition policy. This should lead to a determination of whether there is proof the person was or was not a household member (for example, a live-in attendant, boarder, or a member of a group sharing living quarters but not purchasing and preparing food together with that household). Using the information obtained, the reviewer must verify the individual's status as a household or non-household member using collateral contacts

3. **Household statement/State QC Reviewer work above does not resolve discrepancy.** Any difference still unresolved must be handled using collateral contacts as discussed in the following sections. Section 842.2 discusses inquiries to collateral contacts generally, and Section 842.3 discusses ways to deal with discrepancies in household statements and collateral contact statements.

842.2 Inquiry to Collateral Contacts About Household Members.

Reviewers are required to verify household composition with at least one individual who is not a household member and does not live with the household.

Evidence for standard verification of household composition is information from a collateral contact that positively identifies the household members. A list of names of presumed household members must not be provided to the collateral contact for confirmation. The reviewer must ask the collateral contact to specifically name the individuals who live in the household.

Collateral contacts may state there are additional members in the household other than those the reviewer has already identified in interviewing the household. Whether or not such statements are made, the reviewer must ask collateral contacts if there are any other household members and document the worksheet with the response.

- If the collateral contact's statement of all individuals in the household matches the household composition as determined by the reviewer from the household interview, the household composition is considered verified
- If this level of verification is unsuccessful, documentation on the worksheet must show the reason and how any inconsistencies were resolved

842.3 Inconsistencies in Information About Household Composition.

Inconsistencies between household statement of composition and the case record are discussed in 842.1. This section discusses statements by collateral contacts relative to household composition issues.

- **Collateral Contacts Indicate Additional Members** - A collateral contact indicates there was an individual in the household which the household did not claim as a member
- **Collateral Contacts Indicate a Claimed Household Member Was Not a Member** - A collateral contact indicates an individual whom the household claimed was a household member was not

When the reviewer discovers inconsistent information between household statements on composition and collateral contacts statements, the reviewer must use the procedures in Section 842.4.

842.4 Actions to Resolve Inconsistencies.

Reviewers must resolve inconsistencies in information about household composition by contacting collateral contacts and by re-contacting the household, as appropriate.

Household Agrees with Collateral Contact Verification: If, as a result of the reviewer re-contacting it, the household acknowledges a member other than ones it

had previously claimed and/or acknowledges a claimed member was not one; the reviewer proceeds with the review using the adjusted household composition.

Household Disagrees with Collateral Contact Verification: If, the household contends that its assertion is correct and the reviewer does not have strong evidence to the contrary; then the reviewer must use the household composition based on the information provided by the household.

Several aspects of this situation need to be noted.

- First, the statement must be positive and specific
  Example: A landlord states he knows for a fact that a certain individual moved out prior to the time when the individual would have been included in the household. The household would need to be re-contacted in this type of situation.

- Second, in some situations, re-contacting the household is not necessary
  Example: A minister or physician verifies that an individual, whom the household claimed as a member, died prior to the time the individual could have been included as a household member.

Reviewer Action When Verification Is Unobtainable or Inadequate. When the reviewer cannot obtain verification or it is inadequate, either for the entire household or some of its members, the household's statement must be used for household composition.

Important: In all instances in which inconsistencies must be resolved, the reviewer must document all contacts with the household and collaterals as well as the reviewer's reasoning for their final determination on Form FNS-380.

843 Residents of Certain Institutions. When a household member(s) was a resident of an institution AORD that makes them ineligible, verification must be documented under Element 140 – RESIDENCY. A note must be made under Element 150 – HOUSEHOLD COMPOSITION. Refer to Chapter 5 for documentation requirements.

844 Error Determination. In the majority of cases with a variance in household composition, the variance will be handled by simply adding or subtracting the individual and their circumstances from the household.

844.1 Household Consolidation/Movement. The procedures in this section apply to situations involving two or more separately certified households, regardless of size, that should have been certified as one household AORD. They do not apply to duplicate participation situations (see 844.2) or situations involving an individual member of a certified household moving in with another separately

certified household (see 844.3). This may or may not involve movement of the households.

Example: A mother, her 4 children, and 2 grandchildren live together in the household. The mother and 3 of the children are certified on one SNAP case, and the 4th child, a 21-year-old daughter and her 2 children are certified on a separate SNAP case. Based on certification policy, the 21-year-old and her children should have been certified on the same case as part of her mother's SNAP household.

The procedures below apply to whichever household is sampled.

- Include all households with their income, deductions, resources, etc., in a computation of what the household should have received for the sample month
- Add up all SNAP issuances received by all individuals who should have been included in the household for the sample month
- Compare the allotment amount the household should have received to the combined total issued for the sample month
- If the difference is less than or equal to the current FY error threshold, the allotment issued to the case under review, the review finding (correct, overissuance, underissunace, or ineligible) and the error amount (if the case is an error) must be reported. For overissunaces and underissuances that are less than or equal to the current FY error threshold, the case will be treated as correct when calculating the State's official error rate.
- If the household was ineligible, the allotment issued to the case under review is reported as being in error
- If the entire household was eligible, but was underissued or overissued by more than the current FY error threshold, the reviewer must proceed to the next step
- Calculate the percentage of the total issued that is the allotment issued to the case under review
- Multiply the amount underissued or overissued by this percentage, rounding the answer down to the nearest whole dollar figure
- For the error determination:

  - If the result is less than or equal to the current FY error threshold, the allotment issued to the case under review is reported as not containing an error included in the State's official error rate
  - If the result is more than the current FY error threshold, the result is reported as the amount in error for the case under review

Note: Although the total amount of SNAP benefits issued to the household is used to calculate the dollar loss, only the amount authorized to the case selected for review will be reflected on Form FNS-380-1 as the allotment amount.

Example of Determining the Amount of Error when Households Should Have Been Combined: There were two certified households that should have been certified as one household. The first certified household which was selected for review had 3 members and received an allotment of $248. The second certified household had 2 members and received an allotment of $53.

When considering all of the individuals and what benefits they should have received as a single household, the reviewer determines they were entitled to $107 in benefits.

Household #1 allotment - $248 + Household # 2 allotment - $53 = $301

$301 allotment the household received - $107 allotment the household should have received = $194 overissuance

The difference is greater than the current FY error threshold; therefore the reviewer must:

1. Calculate the percentage that the allotment issued to the case under review is of the total issued;

   $248 x 100 = 24,800 / $301 = 82.39%

2. Multiply the amount under or overissued by this percentage, rounding the answer down to the nearest whole dollar figure;

   $194 overissuance x 82.39% = $159.83 round down to $159

Since this is greater than FY error threshold, the error for the case under review is $159.

844.2 Duplicate Participation by All or Some Members of the Same Household. The procedures in this section are used when all members of one certified household are also participating as members of another separately certified household. This may or may not involve movement of the household. These procedures apply if either household is sampled.

When the reviewer verifies that an individual or group of individuals have been included as household members in the case under review, and the individual(s) received an allotment as a separate household for the sample month, the reviewer must determine which case was the first to be correctly authorized to receive benefits. If that case is sampled it would be correct for this element.

Example of the Review Procedure for Duplicate Participation: The State agency correctly certified a household with five members (Case A). The State agency later certified two members of household A as another household (Case B). The result is that all members of Case B are duplicate participants. If A is sampled, A is correct for this element. If B is sampled, there is a variance as the members were already included in Case A, and the total allotment issued to household B should be considered an overpayment.

Example: A mother, her 4 children, and 2 grandchildren live together in the household. They are all certified together as one household in January (Case A). A few months later, certified beginning April, the 4th child, a 23-year-old daughter and her 2 children are certified on a separate SNAP case, stating they now purchase and prepare separately (Case B). The sample month is June. If Case A is sampled and the reviewer determines the household did purchase and prepare together at that time; then it is correct for this element because it was the first case correctly certified. If Case B is sampled; there is a variance because all members were already included in Case A, and the total allotment issued to the household in Case B is considered an overissuance.

Note*:* Households on Indian reservations are not eligible to participate in both the Food Distribution Program and SNAP simultaneously. A household that participated in both programs in the sample month is ineligible for SNAP if it was certified for the Food Distribution Program first.

844.3 Transfer/Movement of Individuals into, Out of, and Between SNAP Households.

The procedures in this section pertain to an individual member(s) of one certified household moving/transferring into another certified household, and may or may not involve duplicate participation of the individual member. These procedures apply if either household is sampled. This section does not apply to movement/consolidation of the entire household. (See Section 844.1.)

Note the following household scenarios:

- If an individual is certified as a one-person household, and moves into another certified household, use review procedures at 844.1 or 844.2 as appropriate
- When one or more individuals move from one certified household to another certified household, the reviewer must ensure that the individual(s) and any associated income and/or deductions are not used in both households' budget calculations
- If the agency policy requires that individuals and their circumstances be included in the gaining household AORD, but fails to include them in the gaining household's budget calculations; a variance exists and the reviewer must include the individual(s) and their circumstances in the gaining household's budget for the issuance month
- Similarly, if the agency fails to remove the individual(s) and their circumstances from a losing household's budget AORD, a variance exists, and the reviewer must remove the individual(s) from the losing household's budget

Important: A problem in a case related to the case under review through movement of individuals does not necessarily result in a variance in the case under review.

Example: The case under review is a household losing an individual to another participating SNAP household and the transfer should have been made AORD. No variance would exist in the case under review if the individual and his/her circumstances had been removed from this household, even if the individual was never added to the gaining household's budget.

The determination of whether a variance exists depends upon whether the case under review is the household gaining or losing members, and whether the change must be effective AORD, considering requirements for reporting and acting on

changes.

Situations	Individual(s) included in both households	Individual(s) not included in either household	Individual(s) included in losing household only
Gaining household under review	No variance in household composition	Variance- Add individual(s) to household	Variance- Add individual(s) to household
Losing household under review	Variance- Remove individual(s) from household	No variance in household composition	Variance- Remove individual(s) from household

845 New Members Added to a Retrospectively Budgeted Household - Two-Month System. The following applies when a household reports the addition of an individual during the processing month of a two-month system:

- The agency may have to include the individual(s) and their circumstances in the household's eligibility and allotment determinations for the sample month's issuance even if the change is reported after submission of a monthly report
- The agency would not include an individual who was already participating as part of another household in the sample month
- If the agency failed to make a required change, the variance is included in the error determination
- If a new member was not certified for SNAP prior to joining a retrospectively budgeted SNAP household, the new member must be added using prospective eligibility and budgeting procedures for the new member
- Household composition must be determined prospectively, and the new member's circumstances must be determined prospectively and added to the household's prospective or retrospective circumstances depending upon whether the household was subject to prospective or retrospective eligibility

The new member's circumstances for the issuance month must be added to the household's circumstances for the budget month for the calculation of benefits.

If a new member moved out of one SNAP household and into a retrospectively budgeted household, with no break in participation, the new member must be added to the household using the new member's circumstances from the budget month for allotment purposes. Whether the new member's circumstances will be determined prospectively or retrospectively for eligibility purposes will depend upon whether the household was subject to prospective or retrospective eligibility.

Example of adding new members to a retrospectively budgeted household: For example, a two-person household was participating in a two-month retrospective budgeting system based on monthly income of $200. On July 29, in the processing month, the household reported a new member moved in. He had $100 unearned income in June and July and anticipated no income in August. The new member was not previously certified for SNAP. The State must add the new member prospectively to the retrospectively budgeted household for the issuance month of August. Therefore, eligibility and the allotment would be based on three members with $200 income.

846 Separated Households. If a household separated and became two or more separate SNAP households at some time prior to the date for which household composition must be determined, use the following procedures to determine which household to review.

If the State agency assigns case numbers by SSN:

- Review the household with the majority of members, who were certified as members of the sampled case, provided the majority contains an adult member who was certified as a member of the sampled case
- If there is no majority or no adult from the sampled household in the majority, review the household that contains the individual with the social security number that corresponds to the sampled case

If the State agency assigns case numbers by some means other than SSN:

- Review the household that would have retained the sampled case number using the State's procedures
- If neither household would have retained the case number, review the household that contains the majority of the members, who were certified as

members of the sampled case, provided the majority contains an adult member who was certified as a member of the sampled case
- If there is no majority or no adult from the sampled household in the majority; review the household that contains the individual who was head of the household before it separated

847 Recipient Disqualification - 151. The reviewer must complete an inquiry for each adult household member, 18 years of age or older, with the Electronic Disqualified Recipient System (eDRS). This system is used to verify the possible presence of individual(s) in the household who have been disqualified from participation in the SNAP program AORD. Use the following procedures for this element:

- If eDRS does not indicate the presence of any disqualified members in the household, and no indication of information to the contrary has arisen during other collateral contacts; then no further verification is required
- If eDRS does indicate the presence of a possible disqualified individual(s) in the household, the reviewer must verify the eligibility status of the individual(s) by contacting the agency that submitted the information to eDRS
- If the reviewer determines a household member is an individual disqualified from SNAP AORD, the case must be reported as containing a variance. To determine the eligibility and benefit level of the household for the error determination, the reviewer must:

  - Exclude the individual from the household, and
  - Include the correct share of the individual's income and resources

- If the reviewer determines an individual is not disqualified from SNAP AORD, and has been erroneously excluded from the household under review, the case must be reported as containing a variance. To determine the eligibility and benefit level of the household for the error determination, the reviewer must:

  - Include the individual in the household, and
  - Include the individual's income and resources, as appropriate

  If the reviewer determines there was a variance as the result of a change, the reviewer must document the variance and determine whether the variance is included or excluded based on the reporting requirements and exclusionary time periods.

848 Ineligibility Due to a Drug Related Conviction, Fleeing Felon Status and Probation/Parole Violations. Unless a State agency has opted out of the provision, household members convicted of a drug related felony that occurred after August 22, 1996, are ineligible for SNAP. In addition, household members who are fleeing felons or probation/parole violators are ineligible.

Fleeing felon. An individual determined to be a fleeing felon is an ineligible household member. To establish an individual as a fleeing felon, a State agency must:

- Verify that an individual is a fleeing felon as defined by the four-part test below, or
- Verify by a law enforcement official acting in his or her official capacity providing the State agency with a felony warrant as defined in the alternative test below

The State agency must specify in its State plan of operation which fleeing felon test it has adopted.

Four-part test to establish fleeing felon status. To establish that an individual is a fleeing felon, the State agency must verify that:

1. There is an outstanding felony warrant for the individual by a Federal, State, or local law enforcement agency, and the underlying cause for the warrant is for committing or attempting to commit a crime that is a felony under the law of the place from which the individual is fleeing or a high misdemeanor under the law of New Jersey
2. The individual is aware of, or should reasonably have been able to expect that, the felony warrant has already or would have been issued
3. The individual has taken some action to avoid being arrested or jailed. and
4. The Federal, State, or local law enforcement agency is actively seeking the individual

Alternative test to establish fleeing felon status (also known as the Martinez test). A State agency may establish that an individual is a fleeing felon when a Federal, State, or local law enforcement officer acting in his or her official capacity presents an outstanding felony arrest warrant to the State agency to obtain information on the location of and other information about the individual named in the warrant. Such a warrant must conform to one of the following National Crime Information Center Uniform Offense Classification Codes:

- Escape (4901)
- Flight to Avoid (prosecution, confinement, etc.) (4902), or
- Flight-Escape (4999)

Probation and parole violator. An individual determined a parole or probation violator is considered to be an ineligible household member. To be considered a probation or parole violator, an impartial party, as designated by the State agency, must determine that the individual violated a condition of his or her probation or parole imposed under Federal or State law, and that Federal, State, or local law enforcement authorities are actively seeking the individual to enforce the conditions of the probation or parole.

Actively seeking is defined as follows:

- A Federal, State, or local law enforcement agency informs a State agency that it intends to enforce an outstanding felony warrant, or to arrest an individual for a probation or parole violation within 20 days of submitting a request for information about the individual to the State agency
- A Federal, State, or local law enforcement agency presents a felony arrest warrant; or
- A Federal, State, or local law enforcement agency states that it intends to enforce an outstanding felony warrant, or to arrest an individual for a probation or parole violation within 30 days of the date of a request from a State agency about a specific outstanding felony warrant, or probation or parole violation

Application processing. The State agency must continue to process the application while awaiting verification of fleeing felon, or probation or parole violator status. If the State agency is required to act on the case without being able to determine fleeing felon, or probation or parole violator status in order to meet the processing time standards; the State agency must process the application without consideration of the individual's fleeing felon, or probation or parole violator status.

Verification. The reviewer must examine agency records to determine whether the agency was aware of drug related convictions, or that a household member was a fleeing felon or a probation/parole violator. The QC reviewer must verify and document:

- The date on which the State agency became aware of the information
- Date the drug related felony occurred (if applicable)
- The option adopted by the State agency for determining fleeing felon status and how the agency established the selected option criteria was met (if applicable)
- How the State agency established probation/parole violator status
- How the State agency verified (must consist of documentation contained in the records of the State agency, or information that is otherwise known to the State agency)

We expect that at some time in the future there will be databases available to

check for drug convictions and possibly for fleeing felons. As these become available, the QC review procedures will be expanded and may require inquiries of these databases.

Variances. If the reviewer determines that the agency was aware of the household member(s) status as ineligible and failed to take appropriate action to remove the individual(s), the case must be reported as containing an agency- caused variance. In making the error determination the reviewer must:

- Exclude the ineligible member(s) in determining SNAP benefits for the sample month
- Handle income and resources of any ineligible member(s) in accordance with certification procedures
- Apply the appropriate requirements and time frames for reporting and acting on changes

Deficiencies, other than those referenced above, are not included in the error determination.

Under no circumstances is the reviewer to question the household regarding possible ineligibility due to a felony drug conviction or possible status as a fleeing felon or probation/parole violator. This is for the reviewer's personal safety, and to ensure that QC staff does not interfere with any ongoing law enforcement activities.

In the course of conducting the review, the reviewer could become aware through other sources that a household member(s) was ineligible because of one of these provisions. If the State agency was unaware of this information, then a report must be forwarded to the local agency identifying the individual's status as an ineligible household member.

QC staff must not contact law enforcement agencies with information regarding the whereabouts of any fleeing felons or probation/parole violators.

850 WORK REQUIREMENTS AS A CONDITION OF PARTICIPATION.

850.1 Work Registration - 162. As a condition of participation in SNAP, eligible recipients are required to register for work unless they are exempt. If the household member, unless otherwise exempt, refuses to work or fails without good cause to register, the individual is ineligible until the individual registers or becomes exempt from work registration requirements.

The reviewer is required to verify and document:

- If each household member was required to register for work
- If the household member(s) required to register for work were registered

- If any exemptions allowed by the State were correct, and
- If a member or the entire household should have been disqualified AORD because an individual refused without good cause to work register

Verification. The following primary sources are used to verify work registration:

- Employment registration form
- Employment agency printout
- Contact with the employment office
- Case record documentation of the date on which current registration was validated

Variances. If the reviewer determines that a household member has refused or failed without good cause to register, the case must be reported as containing a variance. The reviewer must follow the guidance below:

- Lack of a work registration form in the case record is not evidence of refusal or failure to cooperate without good cause
- If a required good cause determination was not made by the State agency, the reviewer must verify whether there was good cause
- If a good cause determination was made by the State agency, that good cause determination itself is not subject to examination by the reviewer
- If the reviewer determines there is a variance for refusal or failure without good cause to register for work, the reviewer must consider the individual ineligible
- Work registration variances are not cited for individuals added to the household's composition (and for whom a household composition variance has been cited) as a result of the QC review
- If the reviewer determines a member of the household failed or refused with good cause to register and was erroneously excluded in the household under review, the reviewer must consider the individual eligible and report the case as containing an agency-caused variance
- If the state agency has imposed a disqualification period upon a household member AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined to determine its correctness

Exemptions. The verification sources for exemptions from work registration vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

850.2 Employment and Training - 160. As a condition of participation in SNAP, eligible recipients who have registered for work may be required to participate in an employment and training program operated by the

State. Employment and training programs may include:

- A job search program
- A job search training and job placement program
- A workfare program
- A program to improve employability
- An educational program
- A program to increase self-sufficiency
- A job retention service
- A work experience/training program

If the State exempted an individual from the employment and training program, the reviewer must determine if the exemption was correct. The reviewer must determine if a member of the household or the entire household should have been disqualified AORD because an individual refused without good cause to participate in employment and training.

- **Verification.** Participation in employment and training may be verified by contact with the appropriate operating Employment and Training offices or by reports from the appropriate office. Employment and training may be operated by the State agency or by other entities

- **Variances.** If the reviewer determines that an individual(s) has refused or failed without good cause to comply with employment and training requirements and the individual(s) was not disqualified from the program, the case shall be reported as containing a variance. If a required good cause determination was not made by the State agency, the reviewer must make a determination by verifying whether there was good cause. If a good cause determination was made by the agency, that good cause determination itself is not subject to examination by the reviewer. If the reviewer determines that there is a variance for refusal or failure without good cause to comply with employment and training requirements, the reviewer shall consider the individual or household ineligible

If the reviewer determines there is no documentation to support that a member of the household has refused or failed without good cause to comply with employment and training requirements, and that individual has been erroneously disqualified, the case shall be reported as containing a variance. Such a variance will result in a determination that the individual or household is eligible.

If, AORD, the State agency has imposed a disqualification period upon an individual, the reviewer shall not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. The specific circumstances of the disqualification action must be examined in order to determine its correctness.

Exemptions. The verification sources for exemptions from employment and training vary with the basis for exemption. The reviewer should verify each exemption with the appropriate source.

850.3 Acceptance of Employment - 166. As a condition of participation in SNAP, eligible recipients are required to report to an employer when referred and to accept a bona fide offer of suitable employment. The reviewer must determine if a member of the household or the entire household should have been disqualified AORD because an individual refused without good cause to accept suitable employment. If the State disqualified the individual for failure to comply, the reviewer must determine if the disqualification was correct.

Verification. The reviewer must look for information in the case record that indicates noncompliance without good cause. If a required good cause determination was not made by the agency, the reviewer must make a determination by verifying whether there was good cause. If a good cause determination was made by the State agency, that good cause determination itself is not subject to examination by the reviewer.

Variances. If there is no indication of noncompliance, the reviewer must presume the household complied. The reviewer must use the following guidance:

- A determination by, or notification to, the agency of failure or refusal to comply without good cause must be reviewed to determine the period of ineligibility
- If the reviewer determines that a member of the household failed or refused without good cause to accept employment and was erroneously included in the household, the reviewer must consider the individual or the household (as appropriate) ineligible and the case must be reported as containing a variance
- If the reviewer determines that a member of the household failed or refused with good cause to comply and was erroneously excluded from the household, the reviewer must consider the individual eligible and the case must be reported as containing an agency-caused variance
- If the State agency imposed a disqualification period upon an individual AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness

Exemptions. The verification sources for exemptions from the requirement to accept suitable employment vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

850.4 Employment Status/Job Availability - 165. As a condition of participation in SNAP, eligible recipients are required to provide information on an on-going basis to allow the State agency to determine the employment status or job availability of the individual and members of the household. The reviewer must determine:

- If a member of the household or the entire household should have been disqualified AORD because an individual without good cause failed or refused to provide information relative to their employment status or job availability, and
- If any disqualification the agency imposed on an individual or household for failure to comply, was correct

Verification. The reviewer must look for information such as reports from the State agency in the case record indicating noncompliance without good cause. If a required good cause determination was not made by the State agency, the reviewer must make a determination by verifying whether there was good cause. If a good cause determination was made by the State agency, that good cause determination itself is not subject to examination by the reviewer.

Variances. If there is no indication of noncompliance, the reviewer must presume the household complied. The reviewer must use the following guidance:

- A determination by, or notification to, the agency of failure or refusal to comply without good cause must be reviewed to determine the period of ineligibility
- If the reviewer determines that a member of the household failed or refused with good cause to comply with reporting requirements and was erroneously excluded in the household, the reviewer must consider the individual eligible and report the case as containing an agency- caused variance
- If the agency imposed a disqualification period upon a household member AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness

Exemptions. The verification sources for exemptions from the reporting requirements vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

850.5 Voluntary Quit/Reducing Work Effort - 163. As a condition of participation in SNAP, eligible recipients must not voluntarily quit without good cause, or reduce hours of employment to less than the required number of hours per week without good cause. If a non-exempt individual voluntarily quits or reduces

their work hours without good cause, the individual or household is ineligible to participate. The reviewer must determine:

- Whether the member of the household voluntarily quit his/her job without good cause, and whether the household should have been disqualified AORD as the result
    - If a good cause determination of voluntary quit is made by the State agency, that good cause determination itself is not subject to examination by the reviewer
- Whether the member of the household voluntarily quit a job if:
    - There is an indication in the case record of a quit (unless documentation shows good cause)
    - IEVS data that was previously obtained indicates recently terminated employment
    - During the interview the household indicates an individual recently became unemployed or reduced their work hours; or
    - An indication of a quit or reduction is found through collateral contacts

Verification. Primary responsibility for providing verification and/or collateral contacts rests with the household member. The reviewer must verify the following information to determine whether a member of the household should have been disqualified because of the quit or reduction.

- When the quit or reduction occurred
- If it was voluntary, and
- The number of hours or weekly wages

Verification sources include, but are not limited to:

- Previous employer(s)
- Employee associations
- Union representatives, and/or grievance committees or organizations

If a good cause determination was not made by the State agency, the reviewer must make a determination by verifying whether there was good cause. If a good cause determination of voluntary quit was made by the State agency, that good cause determination itself is not subject to examination by the reviewer.

Reviewers must apply State agency definitions for “voluntary quit” and “reducing work efforts” in completing the review of these provisions.

Variances. If there is no indication of noncompliance, the reviewer must presume

the household complied. The reviewer must use the following guidance:

- If the reviewer was unable to obtain verification because the quit or reduction resulted from circumstances that cannot be verified (i.e., a resignation from employment due to discrimination practices or unreasonable demands by an employer, or because the employer cannot be located), no variance exists in this element
- If the State agency has imposed a disqualification period upon an individual AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness

850.6 Workfare and Comparable Workfare - 164. As a condition of participation in SNAP, State agencies may require recipients to participate in an optional workfare program. Such a workfare program may also include comparable workfare programs approved by the State, i.e., self-directed workfare. The reviewer must use the procedures in this section for individuals participating in such a program.

Individuals or households are disqualified from SNAP when the State agency determines that a workfare participant failed or refused without good cause to comply with the requirements of workfare. Such disqualifications do not apply if participation by the SNAP recipient was voluntary. The reviewer must determine if individuals should have been disqualified AORD because they did not comply with workfare requirements.

Verification. The reviewer must look for information such as reports in the case record that indicate noncompliance with the workfare requirements without good cause.

Variances. If there is no indication of noncompliance, the reviewer must presume the household complied. The reviewer must use the following guidance:

- A determination by, or notification to, the agency of failure or refusal to comply without good cause with workfare requirements must be reviewed to determine the period of ineligibility
- If the reviewer determines that a member of the household refused or failed without good cause to comply with workfare requirements and has been erroneously included in the household, the reviewer must consider the individual or household ineligible and the case must be reported as containing an agency caused variance
- If the reviewer determines that a member of the household failed or refused with good cause to comply with workfare requirements and has been erroneously excluded from the household under review, the reviewer

must consider the individual eligible and the case must be reported as containing an agency-caused variance
- If the state agency imposed a workfare disqualification period upon a household member AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness

Exemptions. The verification sources for exemptions from workfare requirements vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

850.7 Time Limited Participation - 161. Able-bodied adults between the ages of 18 and 49 without dependents (ABAWDs) are eligible for participation in SNAP for only 3 months within a 36-month period of time without working or participating in a work or workfare program, unless exempt. ABAWD individuals meeting certain criteria may qualify for 3 additional consecutive months of participation in the 36-month period.

Verification. The reviewer must verify AORD both the status of individual household members as ABAWDs, and also the SNAP participation history of any members determined to be ABAWDs, using the following procedures:

- The reviewer must examine agency records
- Verification must consist of documentation contained in the records of the State agency, or information that is otherwise known to the agency
- Agency issuance records must be used to verify SNAP participation of any individuals determined to be ABAWDs
- The reviewer must explore the eligibility status of the ABAWD as a routine part of the field review of the case
- Household members must be questioned regarding the history of SNAP participation on the part of any ABAWD household members
- The reviewer must verify the date on which the State agency became aware of any pertinent ABAWD information
- If there are no indications from the review of agency records or from the field review that any household members may be ineligible ABAWDs, then the household's statement may be accepted

    - No further investigation of the matter is necessary
    - There is no requirement that the reviewer contact agencies administering the program in other states if there are no indications that the ABAWD has participated within another jurisdiction

- When a household admits that a household member is an ABAWD, or agency records and/or collateral contacts indicate that a household member may

be an ABAWD, the reviewer must verify the eligibility status of the individual(s) through the examination of agency records and collateral contacts with organizations administering the program in other States

- The records of the State agency responsible for the administration of SNAP where the recipient potentially participated are the only acceptable source of verification regarding the individual(s) ABAWD status

Variances. The reviewer must use the following procedures in making the error determination:

- For each household member, determine AORD whether the individual is an ABAWD
- If the reviewer determines that, AORD, the agency has improperly excluded an individual who was not subject to the time limit restrictions, or who had not yet exceeded the time limits for SNAP participation; a variance exists, and the reviewer must use the following procedures in making the error determination:

  - Include the eligible member(s) in determining SNAP benefits for the sample month
  - Apply the appropriate time frames and requirements for reporting and acting on changes in the household circumstances

- If the State agency has imposed an ABAWD disqualification period AORD upon a household member, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness
- For those individuals determined AORD to be an ABAWD, the reviewer must proceed with the review steps below

  - Determine whether these individuals have exceeded their time limits for SNAP participation. If yes, a variance must be cited and the reviewer must proceed to the next step
  - In making the error determination the reviewer must:

  1. Exclude the ineligible member(s) in determining SNAP benefits for the sample month.
  2. Include reportable changes that are not reported, and that impact the eligibility status of an ABAWD individual.

Exemptions. The verification sources for exemptions from the time limit requirements vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

860 SOCIAL SECURITY NUMBERS - 170. Applicants and participants in SNAP must provide the State agency with the SSN of each household member, or provide proof they have applied for one before certification. Refusal or failure without good cause results in disqualification only of the individual for whom an SSN was not obtained. No verification of SSN is required for a member of a household who has chosen not to be included as a recipient of SNAP because they do not wish to provide their SSN.

860.1 Verification.

Verification of SSNs is not required for households that are categorically eligible based on PA or SSI payments. However, an SSN may be verified for a member of a categorically eligible household when the number is needed to do an IEVS check, and the SSN is not in the case record or it appears to be incorrect.

For other households, including those households that are categorically eligible based on GA payments, verification must be obtained for each household member. Verification based on viewing the social security card is not acceptable. Verification must be based on one of the following sources:

- Collateral contact with SSA
- SSA printouts or documents such as a Form SS-5 (Application for an SSN) or SSA-5028 (Receipt for Application for an SSN) or other similar forms Documentation that the SSN had been verified by another program participating in IEVS
- Documentation in the case record that shows that a Form SS-5 was sent to SSA on a specific date
- Birth document issued by the hospital in the case record that shows that a SSN was applied for or other receipt showing this, if it contains identifying information that includes the names of the baby and the parent(s), and the date of birth of the baby

Important: Under no circumstances should the reviewer contact a hospital to verify whether or not a SNAP applicant or recipient applied for a newborn baby's SSN while in that hospital. The reviewer must:

- Explore the case record for a copy of verification from the hospital that shows an application for a SSN was made, and
- Document the verification used to show that the individual did or did not have a SSN

860.2 Variances. A variance must only be cited, and the household member determined ineligible, in the following circumstances based on the reviewer's determination:

- An individual refused, or failed without good cause, to provide or apply for an SSN, based on documentation in the case record
    - The individual must be determined ineligible
- If no evidence establishes refusal; then the reviewer must determine whether good cause existed for the individual's failure to provide or apply for an SSN
    - Good cause is established through documentary evidence that the individual made every effort to supply the necessary information to complete an application for an SSN
- The household knowingly provided an incorrect SSN for an individual or knowingly failed to provide all SSNs for an individual
    - The individual must be determined ineligible
- An individual was disqualified by the State agency
    - The reviewer must determine if the disqualification was correct AORD

Deficiencies, other than those referenced above, must not be included in the error determination.

- If an individual who was added to household composition as a result of the QC review (and for whom a household composition variance has been cited) does not have an SSN, an SSN variance is not cited
- If the findings of a QC review result in a variance cited in household composition because a member was incorrectly excluded, and that individual does not have an SSN; the reviewer must not cite an SSN variance
- Failure on the part of the agency to process an SS-5 or to inform the household member that an SSN must be obtained within the allowed time frames is not considered a variance and does not affect the error determination

When an individual is determined ineligible or has chosen not to receive SNAP benefits for themselves, the reviewer must:

- Exclude the individual from the household, and
- Consider all resources and a pro rata share of the individual’s income in determining the household’s eligibility and benefits

870 DISABLED INDIVIDUALS. Disabled household members are entitled to some special eligibility and benefit standards:

- The net income standard
- The excess medical deduction
- The uncapped shelter deduction, and
- Special household composition considerations

Disability status must be verified in connection with application of these special standards.

"Disabled" status that entitles a member to the special eligibility and benefit standards is defined in SNAP regulations. Only individuals meeting the criteria listed in the regulatory definition is considered disabled for purposes of the special eligibility and benefit standards.

870.1 Verification. The source of verification varies depending upon the basis for the entitlement to disability status. The verification must originate with the government agency that provided the basis for the disability determination. Verification may be in the form of documentation (official government documents), computer listings, or collateral contacts.

Example: If the basis for the disability determination is receipt of SSI, then verification must consist of SSA documentation or computer listings which verify the information, or a collateral contact with SSA.

870.2 Variances.

- If the reviewer determines that an incorrect disability status determination has been made (a disabled household member has been considered non-disabled, or a non-disabled household member has been considered disabled), then a variance exists
- If the reviewer determines that the variance is the result of a change, the reviewer must determine if the variance is included or excluded based on the reporting requirements and exclusionary time periods

Variances in disability status are not coded on Form FNS-380-1 as disability variances, rather they should be coded in the element that is affected by the disability status variance.

Example of Coding a Variance That Was Related to Disability Status: A household is given an uncapped shelter deduction on the basis that a household member is disabled. The reviewer discovers that the household member is not disabled, and the household is not entitled to an uncapped shelter deduction. The variance must be coded in Element 363, shelter deduction.

Chapter 9
RESOURCES

900 VERIFICATION STANDARDS FOR RESOURCES – 200-299.

910 GENERAL REQUIREMENTS. This chapter discusses the general requirements for verification of resources.

911 Purpose of Verification of Resources. Except for categorically eligible households, the reviewer must verify the household's liquid and non-liquid resources.

Liquid Resources include such things as:

- Cash on hand
- Money in checking or savings accounts
- Savings certificates
- Stocks or bonds
- Lump sum payments as specified in the regulations

Non-liquid Resources include such things as:

- Personal property
- Licensed and unlicensed vehicles
- Buildings and/or land
- Recreational properties, and
- Any other property, provided these resources are not specifically excluded in the regulations

Note: The value of nonexempt resources, except for licensed vehicles, is the equity value. The equity value is the fair market value less encumbrances.

After verifying the household’s liquid and non-liquid resources, the reviewer must determine if the household's nonexempt resources exceeded the resource eligibility standard.

Fluctuations in resources over the certification period, even in excess of the household's standard, are not considered variances. Thus, the reviewer will only cite a variance in this element when:

- The applicable resource standard was exceeded as of the QC verification date (See Section 710.)
- The household fails to report the acquisition of certain vehicles, or

- Policy was misapplied by the agency

The reviewer must apply the exclusionary time periods in Chapter 7, for variances resulting from changes.

Important: In determining whether a variance exists, the reviewer must ensure that the same money is not counted both as income in the month it was received and as a liquid resource in the same month.

912 Eligibility Standards. There are statutory resource limits for all households. The reviewer must determine the resource limit that applies to each household except those households that are categorically eligible (CE).

913 Categorical Eligibility. Households are categorically eligible if:

- All household members received or were authorized to receive Public Assistance (PA), Supplemental Security Income (SSI), State or local General Assistance (GA) payments, or
- Benefits from a State Program conferring categorical eligibility

If all household members met these criteria of categorical eligibility, the household was eligible for SNAP as it relates to this element. This applies even if there was more than one PA unit in the SNAP household. The reviewer is not required to review the household's resources if it was categorically eligible, except to determine if the resources provided any income to the household such as interest or rent.

If the reviewer becomes aware that the PA/SNAP household had more resources than allowed by the PA standard, this information must be reported to the agency. This information does not result in the case being reported as ineligible for SNAP benefits.

When a case is found to be incorrectly classified as categorically eligible, the reviewer must use the applicable resource standard. For example, if the reviewer finds that a household contained an individual who was not included in the PA budget, the SNAP resource limit would be used. If the resources exceeded the resource limit, the case was ineligible.

914 Combined Resources - 225. The reviewer must calculate the total of all verified nonexempt resources and compare that amount to the appropriate resource limit to determine if there was a variance. The worksheet must show the combined resource calculation and the resource limit used. Documentation must include identifying what resources are being included in the calculation.

915 Acceptable Case Record Verification. Reviewers may accept documentation and verification contained in the case record if it is not subject to change and applies to the budget/sample month.

- For non-liquid resources, the reviewer may accept as current any appropriate case record verification stating the amount of the resource during the 30 days before or after the review date

> **Example:** An appraisal, obtained during the 30 days before or after review date, for a piece of property, would be acceptable.

- For liquid resources, the reviewer may only accept case record verification stating the amount of resources as of the QC review date

916 Transfer of Resources. The reviewer must ask the household if it transferred any resources during the three months prior to application or after its eligibility was determined.

If the household admits to a transfer of resources, the reviewer must:

- Identify the resource
- Specify when the transfer occurred, and
- Determine whether the transfer was knowingly made in order to qualify for SNAP benefits

The household's documents verifying the transfer may be used. If the Eligibility Worker (EW) documented in the case record that the household reported a transfer of resources, the reviewer must determine if the household would be eligible for the sample month in accordance with certification procedures.

A household may use its resources without having that use considered as a transfer of resources. For example, a household that had $3,000 in a bank account and used $2,000 to re-roof its home would not be ineligible based on a transfer of resources.

Note: Transfer of property is to be examined for CE households at certification.

920 NONEXEMPT RESOURCES. The reviewer must verify the amount of nonexempt resources declared by the household. In addition, the reviewer must explore the household circumstances to reasonably establish the absence of any undeclared resources. The evidence required to support the positive and negative allegations is specified in this chapter. The countable amount of a non-liquid resource is its fair market value less encumbrances (except for licensed vehicles). See Section 980.

930 EXEMPT RESOURCES. Certain resources are not included when establishing eligibility for SNAP. The reviewer must determine that such resources were properly exempted in the calculation of the household's resources.

931 Resources of Non-Household Members. The reviewer must verify resources were counted according to certification policy for household members disqualified including:

- Intentional program violations
- Failure to comply with the work requirements
- Ineligible non-citizens, and
- Social Security Number (SSN) disqualified persons

The reviewer must verify that resources of all other non-household members were included/excluded as determined by certification policy.

932 Resources of Non-Citizen Sponsors. The reviewer must verify the amount of any resources which are required to be deemed to the household from a sponsor (and the sponsor's spouse) of a non-citizen.

933 Resources Jointly Owned With Non-Household Members. The reviewer must verify the amount of any jointly owned resources. Resources owned jointly by separate households are to be considered available based upon certification policy and applicable State laws.

934 Resources Which Are Accessible to the Household But Not Owned By The Household. The inclusion or exclusion of resources which are accessible to the household, but not owned by the household must be based upon certification policy and applicable State laws.

940 BANK ACCOUNTS OR CASH ON HAND - 211. The reviewer must ask the household if any member had liquid resources which include cash or any financial instrument, which can be readily converted to cash. An Income and Eligibility Verification System (IEVS) inquiry must be completed to check for resources for all household members. In addition, the reviewer must specifically question whether <u>any member of the household has a bank account</u>. The household's response, any applicable verification and the reviewer's determination must be documented. Documentation regarding each individual member of the household must be included in Column 3, Review Finding. Simply checking yes or no for the entire element is not acceptable documentation; details about the liquid resource(s) for each member is necessary.

Examples:

- Cash on hand
- Money in savings and checking accounts
- Money available in any debit or similar type account
- Instruments issued by banks and credit unions, such as certificates of deposit
- Stock ownership in corporations
- Bonds, such as savings bonds
- Shares in mutual funds
- Nonrecurring lump-sum payments such as income tax refunds
- Individual Retirement Accounts
- Debit cards received

941 Inquiry Into Available Balance of Accounts. The reviewer must not consider any money as both income and a resource in the same month. Funds counted as income for a month must be deducted from the available balance of an account into which they were deposited. Additionally, the reviewer must deduct any outstanding checks or drafts against an account when determining the balance available as a resource.

- For retrospectively eligible cases, resources are determined as of the last day of the budget month
- For prospectively eligible cases, resources are determined as of the review date (AORD)

942 Inquiry About Declared Liquid Resources. When a household declares a liquid resource not identified in the case record or for which verification is not current, the reviewer must verify and document:

- Name, address and phone number of the financial institution
- Type of account
- Account number
- Amount of the resource
- Type of ownership, and
- If it is an interest bearing account

Note: Only verification from a financial institution is acceptable.

943 Verification of Declared Liquid Resources.

943.1 Cash. Reviewers may accept the household's statement about the amount of cash on hand. A household may be in possession of a check or other financial instrument they have not yet cashed or deposited into an account. Such a

resource must be considered cash, and can be verified by viewing the payment check. An example might be a lump-sum payment or the result of the conversion of another resource, such as selling a vehicle or other property.

943.2 Other Liquid Resources. To verify any other liquid resources declared for a household member, the reviewer must contact the financial institution and verify the net amount of the resource. The reviewer must also inquire if other household members have resources there or if the member who has declared the resource has any other resources there. Amounts of all resources must be verified and documented.

943.3 Conditions Affecting Further Verification. The reviewer must check the accuracy of account information provided by the individual and check for the existence of non-declared accounts through inquiries to banks or banking institutions in the following situations:

- Household member alleges ownership of an account
- Evidence appears to contradict household's negative allegation of an account
- Household member uses a banking institution to cash checks or for direct deposit of checks
- IEVS or other collateral inquiry reveals possible resources

950 NONRECURRING LUMP-SUM PAYMENTS - 212. Household circumstances may indicate the possibility of a recent lump-sum payment. Examples might include:

- A household in which there has been a recent death may have received a lump-sum insurance settlement, or
- A household that recently moved may have received a refund of rental or utility deposits

Payments such as these that have been deposited in bank accounts should appear in routine verification of liquid resources. If there is reason to believe the household received a lump sum payment and it does not appear as a declared resource, the reviewer must ask the household if it received such a payment and document the worksheet accordingly.

960 OTHER LIQUID ASSETS. If the household owns any personal property that is not exempt from consideration as a resource, the reviewer must determine the value of the property through any reliable and reasonable method, such as:

- Sales slips
- Personal property tax assessment

- Catalog
- Existing insurance appraisal, and
- Local merchants

In the absence of evidence to the contrary, the reviewer may accept a household's statement that they own no such personal property.

970 REAL PROPERTY - 221. The reviewer must determine if the household owns any real property (i.e., land or buildings). If real property is discovered, the reviewer must determine if it is considered excludable as a resource, such as:

- A home and lot, or
- Property producing income consistent with its value

The value of any property, countable as a resource, such as recreational property, must also be verified and documented.

971 When Property Is Acknowledged. Where it is known from either the household's statement, the case record, or other sources that the household owns property, the reviewer must verify what property is excludable and the equity value of property not excludable. Sources of verification include:

- Courthouse Records
- Tax Records
- Real Estate Transfer Division
- Title Search
- Municipal Building Inspection Compliance records

972 When No Property Is Acknowledged. When no property is acknowledged, or only excludable property, the reviewer must follow up to determine the household owns no real property, or owns only excludable property.

For the following households, the reviewer may accept the household's statement that it has no property unless there is evidence to contradict the household's negative allegation.

- Household resided AORD in government/tribal public housing or federally subsidized housing such as the Housing Authority/Tribal Housing Authority (THA), Housing and Urban Development (HUD) or Section 8
- Household was homeless AORD

For all other households, the reviewer must routinely check for property ownership through county records or other official sources. When available searches yield no information, and there is no reason to believe there is property or only excludable

property, the household's statement may be accepted. The reviewer must clearly document their attempts to verify, as well as their determination.

980 VEHICLES - 222. For each adult household member, the reviewer must document the household's positive or negative allegation of vehicle ownership. Whether the household alleges ownership of a motor vehicle or not, the reviewer must check the accuracy of the information, and explore potential ownership of other vehicles via inquiry through the State Department of Motor Vehicles (DMV) or its equivalent. This inquiry must be completed even if the household provides proof of ownership. Additional verification or contact with other collateral sources is required if DMV records differ from the household's statement.

The reviewer must determine the status (with respect to use and license) and the value of all vehicles owned by the household. The value of some licensed vehicles is excluded as a resource. To establish the value of motor vehicles, the reviewer must use the National Automobile Dealers Association (NADA), "blue book", or equivalent. Other sources (i.e., car dealers) can provide an approximate valuation based on make, model and year of the vehicle. In determining the effect of motor vehicle ownership on eligibility, additional information may be required such as purchase price, encumbrances against the vehicle, and the name of the organization financing the purchase.

When ownership of a motor vehicle by the household is established, the reviewer must verify and document the following information:

- Registered owner
- Make
- Model
- Year
- Verification used
- Reviewer's determination of any countable value

990 OTHER NON-LIQUID RESOURCES - 224. The reviewer must verify and document ownership, equity value, and whether included or excluded for all non-liquid resources not covered in Elements 221 and 222. Documents that can be used as the basis of verification of such items are things such as sales agreements and tax records, as well as items mentioned under Sections 970 and 980 above.

Chapter 10
INCOME

1000 GENERAL. This chapter describes the procedures for verifying household income and for determining variances in income.

1010 VERIFICATION AND VARIANCE DETERMINATION PROCEDURES.

1011 Verification. Households may receive income from one or more types and sources, such as:

- Wages or a salary
- A public assistance (PA) grant
- A self-employment enterprise
- Alimony payments

The procedures used to verify income are based on the source of the income. Different procedures may apply to different types and sources of income. Income is verified for the budget/sample or issuance month(s), depending upon the specific eligibility, budgeting, and reporting requirements of the household. (Refer to Chapter 7.) In some instances, income must also be verified for other months, e.g., the receipt of a student grant that must be prorated over a specific period.

1012 Variance Determination. The variance determination process depends upon numerous factors specific to the case being reviewed, such as:

- How the income is received. Including but not limited to:
  - Stable
  - Fluctuating
  - Annualized, or
  - Received on some other schedule
- The manner in which the eligibility worker (EW) treated the income
- If the EW correctly applied the certification policy
- If the EW made any computational errors
- If the recipient correctly reported income
- If the recipient correctly reported income changes and
- If the EW correctly handled reported or unreported changes

1013 Terminology. In general, the procedures in this chapter are based

upon the following terminology.

1013.1 Annualized Income - refers to a process used when a household derives their annual income in a period of time shorter than a full year. Such a household may have their income averaged over a 12-month period, or over the time period it is intended to cover. Examples include:

- Self-employment, such as farmers and sharecroppers
  - Does not apply to migrant or seasonal farm workers
- Contract income such as teachers or other school employees and other contract labor
  - Contract income, which is not the household's annual income and is not paid on an hourly or piecework basis, must be prorated over the period it is intended to cover

Procedures for annualized income (self-employment and contract) are found in 1065.1 and 1066.

1013.2 Anticipated Income - is counted when its receipt is reasonably certain. The State agency must:

- Determine whether receipt of income is “reasonably certain" on a case-by-case basis, and
- Use information provided by the household, along with any necessary verification to confirm the decision

The provisions on change reporting in Section 223 concerning earliest date is applicable to determining when income can be reasonably anticipated.

1013.3 Averaged Income - is the process used when the household’s income is expected to fluctuate over the certification period. The State agency must use the anticipated monthly fluctuations to calculate a representative average to project through the certification period. Averaging methods may be established by the State agency to be applied to certain types of households. The reviewer must use the averaging method established by the State agency.

Note: The process of converting income from weekly or bi-weekly to a monthly amount does not constitute averaging. (See 1013.4 below for conversion procedures.)

1013.4 Conversion - is a process used to change income received weekly or biweekly to a monthly amount by:

- Multiplying weekly amounts by 4.3
- Biweekly amounts by 2.15 or
- By using the State agency's public assistance conversion standard, as defined in the State Plan and Certification policy for the State agency

When processing monthly reports, State agencies have the option of converting income that is received weekly or biweekly to a regular monthly amount. The State agency must choose one option for all monthly reporters and one option for all change reporters.

If the EW was required to convert income, the QC reviewer must also convert. If the EW was not permitted to convert income (i.e., the recipient receives less than a full month's income from the source), the QC reviewer must not convert. The QC reviewer is required to use the applicable conversion method adopted by the State agency. If the State agency did not select an option, the QC reviewer will use actual income.

1013.5 Fluctuating Income - is earned or unearned income that varies monthly in amount and/or by source. Such income may be averaged or not averaged.

1013.6 Prorated Income - is income that is divided:

- Among the household members (including any ineligible household members, if appropriate) or
- Among the individuals for whom it is intended or
- By the months for which it is intended to cover, e.g., a student grant

1013.7 Stable Income - is income that is received in a fixed amount from the same source(s) on a regular schedule.

1020 VERIFICATION REQUIREMENTS - EARNED INCOME.

1020.1 Credit Check for Verification of Earned Income. This inquiry will serve as an optional tool for the verification of earned income. A credit check may be used when the reviewer wants to further investigate or establish a financial profile of household members.

1021 Wages and Salaries - 311. This element refers to income earned by a recipient through the receipt of wages, salaries, tips, or commissions. The reviewer

must verify and document whether any household members were employed, and the amount and frequency of earnings. (See Section 512.)

1021.1 Positive Allegation. When the household states a member earns wages or salaries, the reviewer must obtain details about the employment, and verify and document the information using the following procedures:

- Obtain the following information by questioning the household and following up as needed with collateral sources:
  - Employer's name, address, and telephone number
  - Hourly rate and number of hours worked
  - Any regular overtime, bonus payments, tips, or commissions paid
  - Whether wages are received in cash, by check, or by direct deposit to a bank account or debit card
  - Frequency of pay
  - Full-time or Part-time
  - Hire/start date, and termination date if applicable
- Identify any changes, when they occurred, whether they were reported or unreported and whether or not the changes were required to be reported
- Explore further, as needed, if there is an indication of other employment. For example, the household has expenses that are currently being met by income which has not been accounted for
- Conduct Income and Eligibility Verification System (IEVS) matches and other available employment verification sources, such as the Work Number, to determine if there are other employers or if there are periods when income increases or decreases
- Obtain verification from the employer or examine pay stubs, earnings statements, or other official pay documents
- Include in the QC file all verification documents obtained; or thoroughly document if the reviewer viewed the verification, but was unable to obtain copies

Important: Failure to question, verify, and document the client's statements regarding earnings and any changes in the household's circumstances introduces bias into the QC system and is not acceptable.

1021.2 Negative Allegation. When a household denies any member earns wages, salaries or other employment income, the reviewer must further explore the household circumstances, and verify and document using the following procedures:

- Explore past employment, including types of work and former employers, which may indicate employment did exist during the appropriate month(s)

- Question collateral contacts made during the course of the review process, who may provide information indicating a member of the household is or has been employed
- Investigate situations indicating the possibility of employment, such as:

  - Statements made by relatives, friends, landlords, or other collateral contacts that a household member is frequently absent from home, leaves at the same time every day, etc.
  - The reviewer has difficulty finding household members at home
  - Household lives in an area where seasonal employment is likely during the time period under review
  - Shelter costs or claimed expenses are higher than reported income

- For known or claimed past employment, verify any changes(such as termination dates, final pay dates, and receipt dates), when they occurred, whether they were reported or unreported, and whether or not the changes were required to be reported
- Conduct IEVS matches and other available employment verification sources, such as the Work Number, to verify any current or prior employment
- Obtain verification from the employer or examine pay stubs, earnings statements, or other official pay documents, as needed to verify termination and final pay information, as needed
- Include in the QC file all verification documents obtained, or thoroughly document if the reviewer viewed the verification, but was unable to obtain copies

1021.3 Verification. The verification requirements in this section are minimum requirements (See Section 513). It is the responsibility of the reviewer to find all sources of income in determining the household's actual circumstances for the review period. If the reviewer finds reason to doubt the household circumstances (i.e., unexplained income, suspected seasonal work, etc.), the reviewer must:

- Thoroughly investigate questionable information
- Verify the information
- Resolve conflicting information and
- Document how they determined which information is correct and why the differing statement was incorrect or incomplete

IEVS. The reviewer must complete an IEVS check for all adult household members as a source to confirm the household's positive or negative allegation of earned income. (See Section 512 on IEVS matching.)

No Further Investigation. When an IEVS check is done in accordance with Section 512, if the IEVS records do not indicate recent employment and <u>no indication of</u>

information to the contrary has arisen from other collateral contacts, or in other elements which would indicate questionable management of household expenses, then no further verification is required.

Further Investigation. When the IEVS check is done in accordance with Section 512, and the results indicate employment within the most recent three quarters; the reviewer must contact the household and these employers. Verification of the employment status and any earnings during the period under review must be documented.

1022 Self-Employment - 312. Reviewers must ask all households if they have any income from self-employment enterprises. Examples of self-employment income include but are not limited to:

- Farming or ranching
- Income derived from rental property when a member of the household is actively engaged in management of the property at least an average of 20 hours per week
- Payments from a roomer or boarder and
- Independent contracting

Self-employment income may be received in a variety of forms and payment schedules, including a lump sum payment, in fluctuating payments, seasonal payments, or regular "salary" payments. Frequently, more than one form of income will appear for a self-employment enterprise.

1022.1 Positive Allegation. When the household admits to or claims any self-employment, the reviewer must describe the type of enterprise and verify the amount of income by using as many of the following documents as necessary to establish an accurate record of income:

- Recent tax returns or business records
- Receipts for business expenses
- Household's statement about estimated earnings

In determining expenses, the reviewer must follow certification policy to determine allowable business expenses.

1022.2 Negative Allegation. Denials of self-employment must be verified in the same manner as denials of wages and salaries discussed in Section 1021.2.

1023 Other Earned Income - 314. The reviewer must ask if the household received other earned income, which includes but is not limited to:

- Income from other work or odd jobs (such as a paper route, running errands, cutting lawns, babysitting, or doing other "cash" jobs), and
- Training allowance from vocational and rehabilitative programs sponsored by Federal, State, or local governments to the extent they are:
    - Not a reimbursement, or
    - Not excludable by Federal law

1023.1 Positive Allegation. The reviewer must follow procedures in the preceding sections on earned income to verify and document any other form of earnings acknowledged by the household. Other appropriate verifications such as receipts and statements by collateral contacts may be used.

1023.2 Negative Allegation. In the absence of contradictory evidence, the reviewer may accept the household's claim of no other earned income. The reviewer must document why the household's claim was accepted.

1030 VERIFICATION STANDARDS FOR UNEARNED GOVERNMENT BENEFITS. The reviewer must ask the household about the receipt and amounts of any unearned income identified in the case record. The household must also be questioned about any other unearned income by specifically mentioning each of the other types listed in the following sections. The reviewer must verify any such income items the household receives.

Negative allegations by the household of unearned income should be evaluated in the context of its complete circumstances and history. For example, review of the recipient's employment history may indicate possible eligibility for unemployment compensation or veterans' benefits. When such circumstances exist, the reviewer must document a basis for a decision of non-receipt of benefits regardless of the recipient's denial of receipt of income. (See Section 512.)

1031 Retirement, Survivors, and Disability Insurance (RSDI) Benefits - 331. The reviewer must check Social Security Administration's (SSA) data exchange system for all household members to verify their positive or negative allegation, and the accuracy of the information they provide. Additional verification may be required, such as:

- Current SSA award letter
- Other SSA correspondence or
- Direct contact with the SSA office to obtain RSDI benefit information

1032 Veterans' Benefits – 332.

Positive Allegation. For standard verification, use the following:

- Current Veterans Benefits Administration (VBA) Award notice
- Direct contact with a VBA representative

Negative Allegation. See IEVS Matching, Section 512.

1033 Supplemental Security Income (SSI) - 333. The reviewer must check the SSA's data exchange system for all household members to verify their positive or negative allegation, and the accuracy of any information they provide. Additional verification may be required, such as:

- Current SSA award letter
- Other SSA correspondence or
- Direct contact with the SSA district office to obtain SSI benefit information

1034 Unemployment Compensation - 334.

1034.1 Positive Allegation. The reviewer must verify the amount and date unemployment compensation was received. For standard verification use the following:

- Current award certificate
- Official correspondence
- Direct contact with the appropriate agency administering the unemployment compensation program

1034.2 Negative Allegation. (See IEVS Matching, Section 512.)

1035 Workers' Compensation - 335.

1035.1 Positive Allegation. For standard verification, the Workers' Compensation award notice is the best evidence. When the award notice is unavailable, the reviewer must contact the Workers' Compensation office to verify the amount of the payment received during the appropriate month.

1035.2 Negative Allegation. (See Section 512.)

1036 Other Government Benefits - 336. Other government benefits include but are not limited to Black Lung Benefits, Railroad Retirement payments, and payments to farmers by USDA.

1036.1 Positive Allegation. For standard verification use the following:

- Current award certificate
- Official correspondence
- Direct contact with the appropriate agency that provides the payments

1036.2 Negative Allegation. (See Section 512.)

1040 VERIFICATION STANDARDS FOR OTHER UNEARNED INCOME.

1041 Contributions/Income-In-Kind - 342.

1041.1 Alimony Payments. One important type of contribution is alimony payments. The reviewer must consider the household composition and circumstances to determine the likelihood of possible receipt of alimony or child support payments. See Section 1050 for verification procedures for child support.

Positive Allegation. The primary source of verification for declared support payments and contributions is contact with the person making the contribution. When support payments or contributions are made through a third party, such as a court or probation office, verification can be made through that agency.

The reviewer must carefully evaluate the date of receipt and payment amount relative to the review date.

Negative Allegation. The household's denial of receipt of alimony payments or contributions may be accepted in the absence of evidence to the contrary. If a conflict exists between the client's statement and other information from collateral sources, the reviewer must resolve the conflict. Verification, such as a statement from the person making the payments or copies of cancelled checks, must be obtained and the reviewer's determination documented.

Verification. The reviewer must pay particular attention to the dates of documents provided for verification. Documents that are old may have been amended later, and not be correct or current information.

- **From Household.** The following are documents or other records for verification generally available from the household:
    - Divorce or separation decree

- Court order
- Alimony check
- Alimony agreement
- Correspondence regarding alimony payments
- Veterans Affairs / Department of Defense (DoD) documents

- **From Other Sources.** The following are other sources available for verification:

  - Court records
  - Lawyer's records
  - Canceled check of person making contribution
  - Income tax returns or
  - Employer's record of attached wages

1041.2 Income-In-Kind. Reviewers must verify no income-in-kind is counted as income in the calculation of the household's SNAP benefit. An example of income-in-kind is a rent-free apartment furnished as a part of the compensation package for a recipient working as a building manager. Income-in-kind should be excluded.

1042 Deemed Income - 343. If the household with a non-citizen member alleges no sponsor of the non-citizen, the reviewer must contact US Citizenship and Immigration Services (USCIS) for verification. If USCIS states that there is a sponsor, the reviewer must follow up appropriately.

The amount of income deemed to the household from the sponsor (and the sponsor's spouse) of a non-citizen member of the household must be verified. This may be found by reviewing the documentation in the case record, including any corresponding Temporary Assistance for Needy Families (TANF) case information. If adequate verification is not found in the case records, the household must obtain the necessary documents from the sponsor or the sponsor's spouse. In addition, the reviewer must explore the possibility of income in excess of the amount deemed from a sponsor (or a sponsor's spouse). Any additional deemed income must be verified, documented, and included as income to the household. (See Section 822.1.)

1043 PA or GA - 344. The receipt and amount of any PA or General Assistance (GA) payments which the household claims must be verified either through contact with the paying agency or from official correspondence from the agency. (See Section 512.)

1044 Educational Grants, Scholarships, and Loans - 345. The reviewer must verify the following information:

- The source of income (i.e., Title IV, BIA, JTPA, Perkins Act)
- The amount of income
- The period of time it was intended to cover
- Any earmarked amounts for allowable expenses
- Amounts used for tuition, mandatory fees, books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses) for the same period of time, and
- Origination fees and insurance premiums on loans

Mandatory fees include the rental or purchase of any equipment, materials, and supplies related to the pursuit of the course of study involved.

Most educational assistance and tuition, as well as mandatory fees and earmarked amounts, can be verified by contacting the school the student attended. The provider agency, e.g., the Veterans Benefits Administration for some veterans' educational benefits, may provide verification for the exclusion of amounts used for the allowable costs.

Household circumstances regarding educational grants, scholarships, and loans, must be documented on Form FNS-380, even if it is waived from counting as income.

1044.1 Positive Allegation. When a household admits that a household member receives educational grants, scholarships, and loans, the reviewer must verify the income and expenses through sources such as the following:

- Contact with the school the student attended
- Contact with the provider agency
- Receipts for expenses
- Prevailing transportation rates

1044.2 Negative Allegation. If there was no member who was a student, the household's denial of receipt of educational funds may be accepted in the absence of evidence to the contrary. At a minimum, for households with a student, the reviewer must contact the school to verify whether or not the student received educational assistance.

1045 Other Unearned Income - 346. The exploration of all income sources is an important part of the review, and unearned income, while always explored, may be particularly helpful in determining household management of expenses. The reviewer must verify the receipt and amount of other types of unearned income. Several examples are discussed below. (See Section 512.)

1045.1 Foster Care Payments. When there is a foster child or adult in the household, the reviewer must verify through the appropriate office whether the child or adult is legally assigned to the household. The reviewer must also obtain verification of the amount of monthly foster care payments made to the household.

1045.2 Dividends and Interest. Reviewers must obtain statements that may show interest or dividends. Interest on savings accounts, bonds, and dividends, from investments such as stocks, may be paid annually or more frequently. At the time the household is certified, the participant is required to report such income. The EW may have averaged this income at the request of the household or may have counted the income only in the month it was expected to be received.

The reviewer must determine if the household reported the receipt of such money, and the amount that should be considered income, during the appropriate month. If such income was averaged, the reviewer must also average in accordance with certification procedures. If the reviewer discovers such income, which was not reported either at the time of certification or at the time it was received, the interest or dividend must be counted as income in the month in which it was received.

1045.3 Rental Income. Gross income derived from rental property must be verified. The costs of doing business must be verified and excluded from the gross income.

1045.4 Pensions and Union Benefits. The reviewer must question the household about the receipt of any pension(s) or union benefits. The recipient's employment history may indicate possible eligibility for a company retirement pension. Past union membership could indicate possible benefits from that source.

If the household states it received pension(s) or union benefits, the source and amount must be verified using the procedures in Section 1021.1. If the household denies receipt of such and there is no evidence to the contrary, the client’s statement is sufficient. If the household circumstance or employment history indicate the possible entitlement or receipt of pension or union benefits, the reviewer must fully explore and document the basis for their determination.

1046 TANF - 347. (See Section 1043.)

1050 CHILD SUPPORT PAYMENTS RECEIVED FROM ABSENT PARENT - 350. One common type of household income in many SNAP cases is child support income. The composition of the household may indicate whether the reviewer should seek additional information with regard to the probability of support payments.

Positive Allegation. The primary source of verification for declared support payments and contributions is contact with the person making the payments. When support payments or contributions are made through a third party, such as a court or probation office, verification can be obtained through that agency. The reviewer must carefully evaluate the date of receipt and amount relative to the QC review date.

Negative Allegation. The reviewer may accept the household's negative allegation if:

- The absent parent is making child support payments to the child support enforcement agency, or
- The absent parent is incarcerated

If the absent parent is not incarcerated, and no payments are found through the child support agency:

- The reviewer must explore the possibility of support payments made directly to the household or voluntary contributions being made without legal liability to do so
- The reviewer must attempt to contact the person potentially liable for support if the location of the person is known
- The reviewer must verify required information through the child support enforcement agency if the person denies making support payments during the period under review, or the person's location is not known, or they cannot be contacted

When contact is attempted, the reviewer should be sensitive to the delicate nature of the contact and proceed accordingly. When no contact is attempted because it would be inappropriate, the reviewer must document the circumstances and their decision. In situations involving family violence no contact should be attempted with the absent parent; however, documentation must be present, justifying the reviewer's decision not to contact the person.

If a conflict exists between the client's statement and that of the absent parent or other collateral sources, the reviewer must resolve the conflict. Verification, such as a statement from the person making the payments, copies of canceled checks, or official documents from the child support agency, must be obtained and the reviewer's determination documented.

Verification.

- **From Household.** The following are documents or other records for verification generally available from the participant:

- Divorce or separation decree
- Court order
- Contribution check
- Support agreement or
- Correspondence regarding support payments

- **From Other Sources.** The following are other sources available for verification:

  - Court records
  - Payment history from a child support agency
  - Lawyer's records
  - Canceled check of person making contribution
  - Income tax returns or
  - Employer's record of attached wages

1060 VARIANCE DETERMINATIONS. Once income has been verified, the reviewer must determine whether any variances exist in eligibility or budgeting.

- Procedures in Section 1061 must be used for determining eligibility.
- Procedures in Sections 1062, 1063, 1064, 1065, 1066, 1070, and 1080 must be used for budgeting.

The variance determination process for income is dependent on the type of income and the reporting requirements of the household. Chapters 2 and 7 outline the review procedures used in determining variances for households subject to:

- Monthly reporting
- Quarterly reporting
- Simplified reporting, and
- For households receiving transitional benefits allowances

1061 Eligibility. Households must meet the gross and net income tests, unless the household was categorically eligible. Households that contain an elderly or disabled member must only meet the net income test. All other households must meet both the gross and net income tests.

1061.1 Prospective Eligibility. For households participating based on prospective eligibility, the reviewer must apply the appropriate income test(s) to the income verified for the budget/sample month. If the household's budget/sample month income meets the income test(s), the household is prospectively eligible based upon income.

If the household's budget/sample month income exceeds the income limit(s), the reviewer must determine whether this is the result of a variance that is included in the error determination. If the variance is included, the case must be reported as ineligible. The reviewer must use the appropriate time frames for reporting and acting on changes to determine whether there is an excluded variance. (See Chapter 7.)

1061.2 Retrospective Eligibility. For households participating based on retrospective eligibility, the reviewer must apply the appropriate gross/net income test(s) to the income verified for the budget month. If the household's budget month income meets the income test(s), the household is eligible based upon income. If the household's budget month income exceeds the income limit(s), the case must be reported as ineligible and a variance cited.

1061.3 Categorical Eligibility. A categorically eligible household is eligible for SNAP benefits regardless of whether its income exceeded the limit(s), unless household member(s) are prohibited as indicated in Section 841.

If the reviewer becomes aware that a categorically eligible PA household has more income than allowed by the PA limit(s), this information must be reported to the agency but does not result in the case being reported as ineligible for SNAP benefits. When a case is found to have been incorrectly classified as categorically eligible, the reviewer must use the income test(s) as applicable.

> **Example:** The reviewer finds that a household contained an elderly individual who was not included in the PA budget and who did not receive SSI. The SNAP benefit net income test would be used. If the income exceeded the household's net income limit, the household was ineligible.

1062 Unearned Income. Households subject to change reporting requirements are only required to report changes in unearned income of more than $100 in monthly income. QC must use the following procedures when reviewing unearned income in cases subject to change reporting requirements. These procedures apply to:

- Stable and fluctuating income
- Prospectively and retrospectively budgeted
- Reported/processed sources and
- Unreported/unprocessed sources of unearned income

A. Compare the QC verified budget month income to the worksheet amount.

- In <u>prospectively budgeted</u> cases the budget month is the sample month

- In retrospectively budgeted cases the budget month is one or two months prior to the budget month, depending on the system used by the State
- If there is no difference, there is no variance
- Use the verified budget month amount in the error determination process
- If there is a difference, proceed to Step B

B. Correct the worksheet amount for:

- Misapplication of policy and/or computational errors by the EW and
- Incorrect reporting (including failure to report) by the household at the time of certification, recertification, or the last reported change

C. Compare the QC verified budget month amount to the corrected worksheet amount.

- If there is no difference, use the corrected worksheet amount in the error determination process, or
- If there is a difference, go to Step D

D. Determine if the difference can be excluded based on:

- Reporting requirements in Chapter 2, or
- Exclusionary time periods in Chapter 7

E. In the error determination process, QC must use:

- Corrected worksheet amount from Step B, if the difference is excludable, (resulting in no variance cited) or
- QC verified sample/budget month amount if the difference is not excludable (resulting in a variance cited)

Note: If there was more than one source of unearned income, the reviewer must total the corrected worksheet unearned income, and compare it to the total QC verified budget/sample month unearned income, to determine if there was a change of more than $100 in monthly income.

1062.1 More Than One Variance in an Income Source. If there is more than one variance in an income source, the reviewer must arrange all variances in chronological order. The reviewer must then determine if the latest variance is an included or an excluded variance based upon time frames for reporting and acting on changes.

- If the latest variance is an included variance, the reviewer shall use the QC

verified budget month amount in the error determination process
- If the latest variance is an excluded variance, the reviewer shall use the income amount that reflects the full effect of the latest included variance(s)

1063 Prospectively Budgeted Earned Income $100 Change Reporting. The following procedures apply to households that are required to report changes greater than $100 in the total monthly earned income, including:

- Reported/processed sources of income and
- Income received in beginning and other months

Each State has the option of averaging, or not averaging, fluctuating earned income. Any income not meeting the definition of averaging must be considered as income that is not averaged. The same basic review procedure must be used for:

- Fluctuating income that was averaged
- Fluctuating income that was not averaged and
- Stable earned income

For averaged income, QC must use the most recently calculated averaged income that is (or should have been) in effect for the sample month.

Example: The EW calculated a new income (for any reason) after certification but prior to the review date. QC determines the new average should have been used to determine the sample month's issuance, but was not. For the corrected EW figure, QC must use the newly calculated income average.

When assessing the accuracy of the EW budget, QC must:

- Convert verified income for the appropriate month(s) if the EW was required to convert and
- Correct any misapplications of policy or incorrect computations

In the error determination process, QC must use the following procedures for any vacation or sick pay received by the household.

- Count as income in the month received
- Treat it as it’s from the same source as the normal pay source, unless it is a terminated source
- Treat as a non-recurring lump-sum payment if it was from a terminated source and was received once in a lump sum

Section 722 must be used to determine whether income from a new or terminated source is used in the error determination process.

Before completing the calculations outlined in Sections 1063.1 and 1063.2, all reported earned income sources must be added together. If a case contains both reported and unreported sources of earned income, QC must treat:

- Any reported sources in accordance with Section 1063.1 and 1063.2, as appropriate and
- Any unreported sources in accordance with Section 1063.3

Interim Change.

1. For purposes of determining the effective month of a certification action under 1063.1 and 1063.2; an interim change is a recalculation of a case's SNAP benefits resulting from:

    - Change(s) reported by the household or
    - Change(s) the agency becomes aware of through a source other than the household, including income-related mass changes, which includes but is not limited to:

        - SSA and SSI Cost-of-Living Adjustments (COLAs) and
        - Across the board adjustments to TANF

Note: This does not include non-income related mass changes such as:

- Adjustments to standard utility allowances (SUAs)

2. The recalculation does not have to result in a change to the allotment. In order to be considered an interim change under this definition, the certification record must document two things have occurred:

    - A change is reported by the household, or the agency becomes aware of the change and
    - The EW is required to act on the change, and the EW documented their decision that the household's allotment will not be affected by the change

Effective Date of a Certification, Recertification, or Interim Change. In determining whether to use procedures in 1063.1 (first and second month) or 1063.2 (third month and later), <u>the QC reviewer must consider when a certification action became effective rather than when the action was taken</u>.

Example of an Effective Month After the Date of the Action: The EW recertifies a household on April 25 for May through October. May is the first effective month of the certification action.

Example of an Effective Month Before the Date of the Action: A household applies for benefits on September 10. On October 4, the EW certifies the household for September through December and issues benefits retroactively for September. Even though the certification action did not occur until October 4, the first effective month of the certification action is September, the month of initial certification.

The reviewer must use the following procedures to determine whether any variances exist. These procedures apply to both stable and fluctuating sources of earned income.

1063.1 First and Second Effective Months of a Certification Action.

If the budget/sample month was the first or second effective month of an initial certification, a recertification, or an interim change, the reviewer must review income using the procedures in this section.

This section must also be used for the third effective month if using procedures at 1063.2 would take the QC reviewer outside of the effective period of a certification action.

In the steps below, QC must use converted income as appropriate.

Comparison I.

Verify the sample month income. This income is used in the Comparison I allotment test at Section 621. If the Comparison I allotment test results in an allotment difference greater than the current FY error threshold from the authorized allotment, proceed to the next comparison.

Comparison II.

1. Correct the worksheet income figure for the time income from each source was last calculated for the allotment under review for:

   - Incorrect reporting by the household and
   - Misapplication of policy and/or computation errors by the EW

   In the case of previously known and processed sources of income, in which a change has been reported by the household, or otherwise become known to the

agency, and the EW has failed to process the change, correct the EW income figure for the time the change was reported or became known by the agency.

2. Using 722, determine whether any changes occurred in the household's circumstances that should have been in effect as of the review date, excluding unreported/unprocessed income. If any change should have been in effect, use the change in the error determination. If there was no change that should have been in effect, use the eligibility worker's corrected figure in the error determination.

Example of case in which the eligibility worker's figures are used in the error determination:

Certification Period:	March 1 through July 31
Sample Month:	March
Certified:	February 25
Verified March Income:	$1025
Income on Worksheet:	$890

The eligibility worker correctly added together eight weekly pay stubs from January and February and converted the income to $890 monthly. The household correctly reported at the time of certification.

The reviewer will use $890 in the error determination process because the income was correctly determined at the time of certification, and AORD insufficient time has passed since the certification action for any changes to be included in the error determination.

Example of case in which the corrected eligibility worker's figures are used in the error determination:

Certification Period: March 1 through August 31
Sample Month: March
Certified: February 25

Verified March Income: $1530
Income on Worksheet: $890

The eligibility worker added together biweekly pay stubs from January and February and converted the income to $890 monthly; however, the QC reviewer discovered that the household actually received income weekly. The QC reviewer must correct the EW's figure by adding together the weekly pay stubs for January and February using the correct weekly conversion factor. The corrected figure must be used in the error determination process. Insufficient time has passed since the certification action for any changes to be included in the error determination, so only the error at certification is included.

Example of case in which the eligibility worker's figures, following an interim change, are used in the error determination:

Certification Period: January 1 through August 31 Sample
Month: June
Certified: January 15
Interim Change: May 10

Verified June Income: $1000
Income on Worksheet: $1204

The recipient was interviewed on January 2 and certified on January 15 with a monthly income of $210. On May 1, the recipient's employment changed from part-time to full-time. She received her first full-time paycheck on May 7.

She reported the change to the State agency on May 8 and provided verification that she could expect to work about 35 hours per week at $8.00 per hour. On May 10, the State agency prepared a budget for June through August, based on monthly income of $1204 ($8 x 35 x 4.3). The reviewer will use $1204 in the error determination process because the income was correctly determined at the time of the interim change, and AORD insufficient time has passed since the interim certification action for any changes to be included in the error determination.

Example of case in which the sample month is the third effective month of a certification action and an unreported change has occurred which must be included in the error determination:

Certification Period: June 1 through May 30
Sample Month: August
Recertified: May 20

Verified August Income: $460
Income on Worksheet: $325

The State agency has a 12-day NOAA period, requires averaging at least two full months of income to determine a "best estimate" of anticipated income, and requires reporting of actual changes of more than $100 from the monthly average.

Although August is the third effective month of a certification action, using procedures at 1063.2 would take the reviewer outside of the effective period of the certification action, since the State agency has a 12-day NOAA (i.e., the first full month ending 32 days prior to the review date is May which is prior to certification). Therefore, procedures at 1063.1 are used in reviewing income.

In recertifying the household, the EW correctly averaged income from April ($300) and May ($350) to compute a best estimate of $325. On June 5, the household received its June paycheck of $460 that was neither reported by the household nor processed by the State agency.

The QC reviewer determined that the change to $460 must be included in the error determination since the household was aware of the change more than 32 days prior to the review date, and the change exceeded the best estimate of $325 by more than $100. Based on certification policy, the QC reviewer determined one way to include this change was by averaging income from April, May and June [($300 + $350 + $460) ÷ 3 = $370]. Thus, $370 is used in determining the error amount. It should be noted that $370 is used in the error determination even though it differs by $100 less from the corrected EW's figure.

1063.2 Third Effective Month or Later Following a Certification, Recertification, or Interim Change. If the sample month was the third effective month of an initial certification, a recertification, or an interim change, the reviewer must review the income using the procedures in this section.

If the review date is such that the following procedures would take the QC reviewer outside of the effective period of the certification action, QC must use Section 1063.1. This will apply to most States for completion of March sample month cases, as well as States with 10+ days notice of adverse action periods.

In the steps below, QC must use converted income as appropriate.

Comparison I.

Verify the sample month income. This income is used in the Comparison I allotment test at Section 621. If the Comparison I allotment test results in an allotment difference greater than the current FY error threshold from the authorized allotment, proceed to the next comparison.

Comparison II.

1. Correct the worksheet income figure for the time income from each source was last calculated for the allotment under review for:

   - Incorrect reporting by the household, and
   - Misapplication of policy and/or computation errors by the EW

   In the case of previously known and processed sources of income, in which a change has been reported by the household, or otherwise become known to the agency, and the EW has failed to process the change, correct the EW income figure for the time the change was reported or became known by the agency.

2. Compare the QC verified sample month's income to the corrected EW's income figure or use EW figure if no correction was required.

3. In the error determination, QC must use:

   - The corrected EW income amount if the comparison results in a difference of $100 or less
   - If greater than $100, proceed to step 4

4. Determine the amount of fluctuating income in the error determinant month.

   - This is the first full month ending 30 days prior to the review

date
- The 30-day period is based upon regulatory time frames for reporting and acting upon changes
- For States with notice of adverse action periods other than 10 days, the 30-day time frame must be adjusted up or down accordingly

5. Compare the income in the error determinant month to the corrected EW income figures.

6. In the error determination process, QC must use:

   - The corrected EW income amount if the comparison results in a difference of $100 or less
   - The income amount from the error determinant month if the comparison results in a difference greater than $100

In the following examples, the State agency has a 10-day notice of adverse action period unless otherwise specified.

Example of case in which the eligibility worker's figures are used in the error determination (EW's figures vary by less than $100 from the sample month):

Sample Month: November

Income for November:	Nov. 6	$230.91
	Nov. 13	224.13
	Nov. 20	260.93
	Nov. 27	209.15
	Total	$925.12

Income for May, June, July:

May 4	$209.42	June 1	$203.76	July 6	$194.64
May 11	201.46	June 8	213.40	July 13	213.25
May 18	122.13	June 15	212.25	July 20	147.16
May 25	260.48	June 22	195.39	July 27	226.40
		June 29	215.46		
Total	$793.49		$1,040.26		$781.45

The eligibility worker, using the pay stubs from May, June, and July, calculated an average monthly income of $872. The verified income for the sample month of November is $925. The eligibility worker correctly computed an average. The income received during the sample month is within $100 of the eligibility worker's figures. Therefore, $872 would be used in the error determination process.

Example of case with conversion error: Use the same income for May ($793.49), June ($1040.26), and July ($781.45) as in the previous example. The eligibility worker was required to convert the income, but did not. The reviewer must correct the eligibility worker's figures by converting the income. The corrected income amount would be used as the corrected eligibility worker figure in the error determination process. The QC reviewer would convert the income for the sample month and for the first full month 30 days prior to the review date in doing the error determination.

Example of case in which the error determinant month is not the month two months prior to the sample month:

Certification Period: June 1 through December 31 Sample Month: November
Review Date: Nov. 1
Verified November Income: $850
Verified August Income: $950
EW's figure for Income: $700

The State agency has a 13-day notice of adverse action period. The EW correctly computed monthly income of $700 at certification. No interim changes have been processed since certification. The verified sample month income is $850. Since this amount differs by more than $100 from the EW's figure, the QC reviewer verifies income for August - the first full month ending 33 days prior to the review date. August income of $950 is compared to the EW's figure and used in the error determination since it differs by more than $100 from the EW's figure.

1063.3 Unreported/Unprocessed Sources of Earned Income. If the existence of a source of earned income is never reported to the agency, never processed by the agency, or reported but never processed by the agency; QC must use the verified income received in the sample month (converted as appropriate) in the error determination process. The QC reviewer must:

- Use the procedures in Section 1065, for unreported/unprocessed sources of income that should have been annualized or prorated
- Use procedures in Section 1062, for unreported/unprocessed sources of unearned income
- Exclude any unreported source that began within the exclusionary timeframes

1064 Prospectively Budgeted Earned Income - Status Reporting. Households subject to status reporting requirements are only required to report changes in earned income when there is a change in:

- Source
- Hourly rate/salary or
- Employment status (part-time to full-time, or full-time to part-time)

QC must use the following procedures when reviewing earned income (both reported and unreported sources) in cases subject to status reporting. Income must be converted as appropriate.

1. Compare the QC verified sample month income to the EW income amount.

    - Comparisons must be made separately for each source of earned income rather than totaling income from all sources prior to the comparison
    - If there is no difference, there is no variance. Use the EW income amount in the error determination process
    - If there is a difference, proceed to step 2

2. If incorrect at the time of certification, recertification, or the last reported change, QC must correct the EW income figure for:

    - Incorrect reporting by the household and
    - Misapplication of policy and/or computation errors by the EW

3. Compare the QC verified sample month amount to the corrected EW income amount (or use EW figure, if no correction required).

    - Comparisons must be made separately for each source of earned income rather than totaling income from all sources prior to the comparison
    - If there is no difference, the reviewer must use the corrected worksheet amount in the error determination process
    - If there is a difference, proceed to step 4

4. Determine if the difference can be excluded based on:

    - Reporting requirements in Chapter 2 or
    - Exclusionary time periods in Chapter 7

5. In the error determination process, QC must use:

    - Corrected EW income amount from step 2, if the difference is the result of an excludable change (resulting in no variance cited)

- The QC verified sample month income if the difference is not excludable, (resulting in a variance cited)

1064.1 Multiple Variances in an Income Source – Status Reporting. QC must use the following procedures when more than one variance is found in an income source:

1. Arrange all variances in chronological order

2. Determine if the latest variance is includable or excludable based upon:

   - Reporting requirement time frames (in Chapter 2) and
   - Time frames for acting on changes (in Section 720)

3. In the error determination process, QC must use:

   - QC verified budget/sample month amount if the latest variance is includable
   - Income amount reflecting the full effect of the latest includable variance(s) if the latest variance is excludable

1065 Annualized and Prorated Income.

1065.1 Self-Employment. Income from self-employment (SE) is budgeted based on the time period it is intended to meet the household's needs.

- The reviewer must annualize SE income over a 12-month period when it is intended to meet the household's needs for the entire year, even when:

  - The SE income is received during only part of the year or
  - The household received income from other sources in addition to the SE income

- The reviewer must prorate the SE income over the period of time it is intended to cover when it is intended to meet the household's needs for only part of the year

Reported Source of SE Income - When reviewing self-employment income, the reviewer must focus on the actions taken by the EW in handling the income and allowable income exclusions when the income was last calculated.

If incorrect at the time of certification, recertification, or when changes were

subsequently reported, the reviewer must correct the EW income amount for:

- Incorrect reporting by the household and
- Misapplication of policy and/or computation errors by the EW

This must be done regardless of whether the EW anticipated income or projected income. Unreported changes in amount after the time of certification or recertification are not considered. This corrected worksheet amount must be used in the error determination process.

Unreported Source of SE Income - When a household fails to report a source of SE income, the reviewer must calculate an average monthly figure to be used in the error determination process based on the best information available AORD provided:

- The source was in existence at the time of certification or recertification or
- The household subsequently became self-employed and the change cannot be excluded based on the time frames for reporting and acting on changes

1065.2 Contract Income. Households that derive their annual income by contract in a period of time shorter than one year must have the contract income averaged over a 12-month period, provided it is not received on an hourly or piecework basis.

Reported Source of Contract Income – If incorrect at the time of certification or recertification, QC must correct the EW amount for:

- Incorrect reporting by the household, and
- Misapplication of policy and/or computational errors by the EW

The reviewer must then make an adjustment for any subsequent changes that cannot be excluded based on the reporting requirements and the time frames for reporting and acting on changes. This corrected monthly amount must be included in the error determination process.

Example of an Unreported Change in a Reported Source:

A household was certified from October through the following September based on an annual income of $27,000 or $2,250 a month. The teacher received a 2 percent pay raise on January 1 but failed to report the change. The sample month was March. The reviewer must re-annualize over the 12-month period and divide by 12 to determine the monthly income amount to be used in the error determination process.

Unreported Source of Contract Income - When a household failed to report a source of contract income, the reviewer must calculate an average monthly figure to be used in the error determination based on the best information available AORD, provided:

- The source was in existence at the time of certification or
- The household subsequently obtained the contract income, and the change cannot be excluded based on the time frames for reporting and acting on changes

1065.3 Educational Income. Scholarships, deferred educational loans and other educational grants, after exclusions, must be averaged over the period it is intended to cover. Educational income is not counted until the month in which it is received or anticipated with reasonable certainty to be received. Once counted, the income, after allowable exclusions, is prorated over the entire period it is intended to cover.

Reported Source of Educational Income - If incorrect at the time of certification or recertification, QC must correct the EW income amount for:

- Incorrect reporting by the household and
- Misapplication of policy and/or computational errors by the EW

The reviewer must make an adjustment for any subsequent changes that cannot be excluded based on the reporting requirements and the time frames for reporting and acting on changes. This corrected monthly amount must be used in the error determination process.

Unreported Source of Educational Income - When a household failed to report a source of educational income which should have been included in the budget month income, QC must calculate an average monthly figure to be used in the error determination process based on the best information AORD, provided:

- The source was in existence at the time of certification or recertification, or
- The household subsequently received the income and the change cannot be excluded based on reporting requirements and the time frames for acting on changes.

1066 Households with More Than One Type of Income. This section is used for households with more than one type of reported/processed income. Types of income include:

- Earned (status or change reporting)
- Unearned
- Annualized or prorated income

This section must not be used for households with income from more than one source when the sources are the same type of income or they have the same reporting requirements.

Example: A household is certified with income from two different employers. Even though there are ***two sources*** of income, there is only ***one type*** since both are earned, and both are subject to the same household reporting requirement.

Therefore, income in this example is reviewed using procedures for earned income, based on the household's income reporting requirement.

When a household has ***more than one type*** of income, QC must use the procedures below, converting income as appropriate:

Comparison I.

1. Verify the amount of each type and source of income in the sample month income, including any unreported/unprocessed income. All types of income must be added together. This income is used in the Comparison I allotment test at Section 621.

2. If the Comparison I allotment test results in an allotment difference greater than the current FY error threshold from the authorized allotment, proceed to the next comparison.

Comparison II.

1. Follow the appropriate procedures from Sections 1062, 1063, 1064, and/or 1065 for the various types of income received by the household. The reviewer must separately evaluate each type of income.

2. Use the total of these separately determined income figures in the error determination process.

In the following examples, the State agency has a 10-day notice of adverse action period unless otherwise specified.

Example of three types of income, with a change that was too small for a significant impact on the allotment:

Sample Month: August
Certified: May 15
No interim change

Type of Income	At Certification	Verified for August
Earned income amount:	325	312
Unearned income amount:	100	100
Prorated income amount:	225	225
Total	650	637
Allotment for 3	235	238

The QC reviewer determined that the income used at certification was correct. Since the allotment based on the sample month income varies by less than the current FY error threshold for citing a QC allotment error, the case is determined correct.

Example of three types of income, with a change that was not included in the final error determination:

Sample Month: August
Certified: May 15
No interim change

Type of Income	At Certification	Verified for August	Final Error Amount
Earned income amount:	**325**	**610(status)**	**325**
Unearned income amount:	**100**	**100**	**100**
Prorated income amount:	**225**	**225**	**225**
Total	**650**	**935**	**650**
Allotment for 3	**235**	**167**	**235**

The QC reviewer determined that the income used at certification was correct. Since the allotment based on the sample month income varies by more than the current FY error threshold for citing a QC allotment error, the reviewer must review each income type independently. Section 1062 was used to evaluate the unearned income which was determined to be correct. Section 1065 was used to evaluate the prorated income which was determined correct. Section 1064 was used to evaluate the status reporting earned income and it was determined that the income at certification was correct and there were no reportable changes. The overall error determination was that the case was correct.

Example of two types of income, with changes that must be included in the final error determination:

Sample Month: August
Certified: May 15
No interim change

Type of Income			
Earned income amount:	520	560(status)	560
Unearned income amount:	400	510	480
Total	920	1070	1040
Allotment for 3	166	113	132

The QC reviewer determined that the income used at certification was correct. Since the allotment based on the sample month income varies by $53 (more than the current FY error threshold for citing a QC allotment error), the reviewer must review each income type independently. Section 1062 was used to evaluate unearned income. The reviewer determined that there were two unreported changes. Unearned income became $480 in July and $510 in August. The change to $480 is an includable variance. The change to $510 is excludable as it is within the timeframes for reporting and acting on changes. Section 1064 was used to evaluate the status reporting earned income, and it was determined that there was an unreported wage increase from $6.00 per hour to $6.50 per hour in June, which is an includable variance. The final error determination is based on income of $1040 and results in an allotment error of $34 (166 – 132), which is below the current FY error threshold to be included in the State's official error rate.

1070 INCOME FROM INELIGIBLE HOUSEHOLD MEMBERS. The size of a SNAP household is always reduced by the number of ineligible members; however, the manner in which income is handled varies depending upon the reason for which an individual is ineligible.

1070.1 Income That Must be Counted Entirely. The income received by a household member disqualified for certain program violations is considered available to the household in its entirety; however, for purposes of the eligibility income test(s), the household size must be reduced by the number of disqualified individuals. In all other respects, the income received by these ineligible household members is examined consistent with the policies and procedures for any other income.

1070.2 Income That Must be Counted on a Prorated Basis. In some instances, the income received by individuals who are ineligible for the program is prorated among the ineligible individual(s) and the remaining household members. The reviewer must use these procedures when an individual is ineligible for certain disqualifications, sanctions, etc.:

- Reduce the household size by the number of ineligible individuals in establishing income eligibility standards for the household
- Exclude the prorated share attributed to the ineligible individual(s) from the eligibility income test(s)
- In all other respects, the income received by these ineligible household members is examined consistent with the policies and procedures for any other income

1080 NON-COMPLIANCE WITH OTHER PROGRAM RULES. Some households receive cash assistance through a Federal, State, or local means-tested program such as TANF. Failure of a household member to perform an action required by such a public assistance program may result in their cash benefit being reduced, suspended, or terminated. The household's SNAP allotment must not be increased as the result of the decrease in the cash assistance income.

The State agency may reduce the household's allotment by not more than 25%. The 25% reduction in SNAP benefits must be based on the amount of SNAP benefits the household should have received under the regular SNAP benefit formula, taking into account its actual (reduced) income.

Note: Examples of programs which are not means-tested include RSDI, Railroad Retirement, and Unemployment Compensation. These benefits are not considered under this provision.

1081 Desk Review. The reviewer must examine all State agency records for the household to determine if the State agency was aware of a penalty AORD. If so, the reviewer must also determine whether the State agency was aware the penalty was caused by a failure to comply.

1082 Field Review. The reviewer is not required to investigate penalties of which the State agency was not aware; however, if the reviewer uncovers a type of assistance that was received AORD but not included in the certification action, the reviewer must, if necessary, re-examine the State agency's records about the penalty.

The determination regarding failure to comply with another program's requirements is made by the agency administering that program. Under no circumstances should the QC reviewer make a determination or challenge a determination that has already been made.

If a good cause determination for failure to comply with program requirements has been made by the State agency, that good cause determination itself is not subject to challenge by the reviewer.

1083 Verification. The reviewer must examine State agency records to determine whether the State agency was aware of any reduction, suspension, or termination of any Federal, State, or local means-tested assistance program as of the sample month. A determination by another agency that the penalty was caused by the failure of the household to perform a required action must be accepted, and is not subject to further examination by QC.

Verification of this element consists of documentation provided to the State agency by the agency administering the program to which the penalty is being applied, or information that is otherwise known to the State agency. The reviewer must verify the following:

- Amount of the penalty for the appropriate months
- Reason for the penalty, and
- Date of which the State agency became aware of the amount and reason

1084 Identification of Variances. A variance exists only if:

- The household's penalty was caused by a failure to comply, the State agency was aware of both the penalty and the cause, and the State agency either did not count or counted the wrong amount of the penalty as income; or

- The State agency erroneously reduced SNAP benefits

1085 Treatment of Variances. The reviewer must consider the date the State agency became aware of the penalty and its cause as the date of a reported change. The reviewer must apply appropriate time frames and requirements for reporting and acting on changes in household circumstances.

Variances will only be cited if the State agency was aware of the penalty in the other means-tested program, and failed to adjust the SNAP benefits appropriately. In the error determination process, the reviewer must:

- Include the benefit amount of the other program, which should have been used in determining SNAP benefits for the sample month
- Exclude penalties of which the State Agency was not previously aware

If a variance is included, the reviewer must correct the EW figure for:

- Misapplication of policy
- Failure to act or correctly act on reported information and
- Computational errors

For purposes of correcting the EW figures, the reviewer must use State agency procedures as long as these procedures meet minimum Federal guidelines. In the absence of procedures, or when procedures do not meet Federal guidelines, the reviewer must use the penalty amount from the budget month. The corrected figure is used in the error determination process.

1086 Other Deficiencies. Deficiencies in this element, other than those specified above, must not be considered variances for purposes of QC and need not be reported. For example, the State agency's failure to investigate the cause of a decrease in another program's benefits must not be considered as a variance unless the case record contains documentation identifying the penalty as an intentional failure to comply.

Chapter 11
DEDUCTIONS

1100 DEDUCTIONS. In SNAP there are six allowable deductions from a household's gross income:

- Earned income deduction
- Dependent care deduction
- Standard deduction
- Shelter deduction
- Medical deduction
- Legally obligated child support payment deduction

1110 REVIEW OF DEDUCTIONS. What follows is a general discussion and illustrations by example of the handling of allowable deductions.

1111 Deductions as Billed. In general, a household becomes entitled to a deduction when it receives a bill or, if there is no bill, when the expense otherwise becomes due. Exceptions to this general rule are noted in this chapter. When an expense is paid through a charge or credit card account, the expense is considered "billed" when the household received its charge account or credit card statement.

- A household may choose to average periodic billings over the interval between scheduled billings or over the period the expense is intended to cover
- A household may choose to average one-time only expenses (other than medical expenses) over the entire certification period in which they are billed
- A household may choose to average one-time only medical expenses over the remainder of its certification period

Example of Allowing a Deductible Expense as Billed, not as Paid*:* A household did not receive a monthly bill for its rent; however, it did sign a lease that required a rental payment of $125 monthly throughout the certification period. In calculating the household's shelter expenses, the reviewer would include the rent of $125 as "otherwise becoming due." A household paid $17.62 for electricity on March 7th (billed in February). The household was billed $32.16 for electricity on March 20th. In calculating the household's shelter expenses for March, the reviewer would consider $32.16 for March, as the amount billed.

SNAP does not allow deductions solely based on a household's actual payments. For these deductions, the reviewer must concentrate on dates and amounts of billings, and not on dates and amounts of payments. The reviewer must discuss and document billing of deductions with the household. Documentation should include the discussion with the client about when they considered the expense billed. An exception to this general rule is the child support deduction.

Example of When an Expense is Considered Billed If Paid by Credit Card: Example 1: An elderly household member visited a doctor on March 8th. Since payment was due at the time of service, she charged the bill on her credit card that same day. The credit card company billed the household member on a statement that she received on May 2nd. After discussion with the client the eligibility worker (EW) would consider this expense as billed in May because the client states she is billed when she gets her credit card statement.

The reviewer may use information about the method of payment to determine when an expense was billed (as with credit cards and charge accounts). However, payments are not the basis for deductions. The reviewer must use information about payments to determine a household's cash flow. For example, does the household spend more than it receives? This information may be useful in investigating household composition and income.

1112 Expenses Paid by Excluded Vendor Payment.

When a person or organization outside the household pays a household's expenses directly to another party (like a doctor, a landlord, or a babysitter), those payments are called vendor payments. SNAP excludes some vendor payments from the household's income.

Example of an Expense Paid by Excluded Vendor Payment: A household was billed $200 for rent each month of its certification period. A charity paid $150 of the rent each month directly to the landlord. In calculating the shelter deduction, the household's rent was $50. The $150 charity payment is an excluded vendor payment.

When vendor payments are excluded from income, the household is not allowed a deduction for the expenses covered by the vendor payments. The reviewer must ensure that dependent care, shelter, and medical expenses are not deducted when someone pays those expenses

Example of Assistance That Was Not an Excluded Vendor Payment: A household was billed $200 for rent each month of its certification period. A charity gave the household $150 each month to help pay the rent. In calculating the shelter deduction, the household's rent was $200. The $150 charity payment to the household was not an excluded vendor payment. The $150 given directly to the client is counted as income, and they get the full shelter deduction.

by excluded vendor payment, except for Low Income Home Energy Assistance Act payments.

1113 Deductions Disallowed at Certification or Recertification.

When a household was entitled to a deduction at the time of the most recent certification or recertification and did not receive it, the case has an included variance. There are three exceptions to this rule:

1. The household reported the expense but chose not to receive the deduction.
2. The State agency asked for verification, the household did not provide it, and the State agency certified the household without the deduction.
3. The household fails to report expenses at certification or recertification after the State agency has informed the household that such failure will result in the forfeiture of the right to a deduction.

Example of an Expense Disallowed for Failure to Report Expense at Application: A household indicated on its application at certification that it incurred shelter expenses of $500 in rent. No utility expenses are reported. The EW certifies the household with only the $500 rent used in the determination of the shelter deduction. The application contains a statement informing the household that they forfeit the right to deduction of household expenses if they fail to report the expense. The reviewer verified shelter expenses of $500 rent, plus utilities. In completing the final review findings for the case the reviewer would include only the rent, not the utilities, in the shelter deduction calculation. (Assuming no other variances exist, this case would be completed as correct, no error)

Example of an Expense Disallowed for Failure to Report Expense at Application: A household indicated on its application at certification that it did not incur any dependent care expenses. The EW noted in the casefile that the client was informed at the certification interview that they forfeit the right to deduction of household expenses if they fail to report the expense. The reviewer found the household had unreported dependent care expenses. The reviewer would not include a dependent care deduction in the calculation because it was unreported at certification.

For the first two exceptions, the reviewer must exclude these variances if the State agency documented the case record to show why the household did not receive the deduction for these reported expenses. The State agency documentation must be dated between the household's application date covering the sample month and the review date. The reviewer must document on the 380 their reason for excluding the variance, including what the EW documented in the case record.

For the third exception, the reviewer must exclude these variances if the State agency documented the case record to show the statement informing the household of its right to claim the deduction. The documentation must be dated for the time of the certification action covering the sample month. Statements subsequent to the review date, by the State agency or by the household, must not be taken into account. The reviewer must document on the 380, the reason the variance is excluded and the statement documented by the EW in the case record.

Unique Circumstances: Deductions disallowed at certification or recertification under one of the provisions listed above must be included in the error determination under certain unique circumstances.

When the household reports and/or verifies an expense and the agency fails to allow the deduction; include the deduction in the error determination. The household must have reported the expense subsequent to the certification action but prior to the sample month (allow for exclusionary time frames).

Example of an Expense Disallowed for No Documented Reason: A household stated at certification that it paid court ordered child support of $400 monthly. The EW did not allow a child support deduction, and there was no documentation in the case record explaining why the deduction was not allowed. The reviewer verified the court ordered child support payments of $400 monthly. In completing the final review findings the reviewer would include a child support deduction of $400 in the calculation. Assuming no other variances exist, this variance would cause an underissuance.

Example of an Expense Not Reported After Certification or Recertification: A household indicated on its application at certification that it incurred no shelter expenses. The application contains a statement informing the household that they forfeit the right to a deduction of household expenses if they fail to report the expense.

The reviewer verified shelter expenses of $400 in rent and utilities billed separately existed at the time of certification. While the reviewer determined the household incurred shelter expenses of $400 which included rent and utilities, the household is not entitled to the deduction; therefore, the expense is forfeited. The reviewer further verified that the household moved two months after certification and failed to report the move. The move occurred three months prior to the QC sample month and the reviewer verified that the shelter expenses in the new home included $300 in rent as well as utilities for heating and or cooling. This entitled the household to the Standard Utility Allowance (SUA).

This policy affects only certification and recertification actions, and not the requirement to report moves occurring after recertification. In completing the final review findings for the case, the reviewer would therefore include the rent of $300 plus the SUA from the unreported move in the shelter deduction calculation. (Assuming no other variances exist, this case would be completed as containing an underissuance.)

1114 Special Treatment of Variances. Procedures in Chapter 7 outline most instructions for including and excluding variances; however, there are particular aspects of the deductions that require special treatment. These aspects are outlined under the subject "special treatment of variances" which appears under the dependent care, shelter, and medical headings.

1120 EARNED INCOME DEDUCTION - 321. The earned income deduction is 20% of the household's total earned income. The reviewer must exclude the costs of doing business of self-employment enterprises to arrive at total earned income. The total earned income amount appears on line 1 of the computation sheet.

Example of One Way to Calculate the Earned Income Deduction:

$763 total earned income
x.20 deductible percentage
$153 deductible amount

$763 total earned income
-$153 deductible amount
$610 earned income minus the deduction

Example of Another Way to Calculate the Earned Income Deduction:

$763 total earned income
x.80 non-deductible percentage
$610 earned income minus the deduction

1120.1 Documentation. Documentation (other than on the computation sheet) is necessary only if there was a variance in the amount of the earned income deduction. If there was such a variance, the reviewer must explain the mistake in policy or in arithmetic computation.

1120.2 Verification. Verification of the earned income deduction is not required since the amount of the deduction depends totally upon verified earned income.

1130 DEPENDENT CARE DEDUCTION - 323. A household is entitled to the dependent care deduction, if it incurs out-of-pocket costs for the care of a dependent because such care is necessary for a household member to:

- Accept employment

- Continue employment
- Search for employment
- Comply with Employment and Training requirements
- Make an effort equivalent to job search if not subject to job search
- Attend training
- Pursuing education that is preparatory to employment

If an attendant care expense can qualify as both a dependent care deduction and a medical deduction, the state can choose which deduction type the household receives. The household cannot get both deduction types for the same expense.

1130.1 Deductible Expenses. A household may deduct the amount of the dependent care expense billed by the person who provides the care. The care provider cannot be a member of the SNAP household requesting the deduction, but they can be living at the same address. In-kind benefits, like meals and lodging, are not deductible expenses. The reviewer will convert or prorate expenses as appropriate.

Expenses include transportation costs to and from the care facility, activity fees or other fees. Examples include subsidy expenses and late fees associated with the care provided to the dependent that are necessary for the party to participate in the dependent care (these expenses and fees do not have to be mandatory, but must be specific and identifiable).

Deductions are governed by certification policy.

1130.2 Documentation. The reviewer must document:

- The name of each dependent receiving the dependent care
- The name, address and phone number of the person providing the dependent care
- The reason the household was entitled to a deduction
- The amount of the dependent care cost in the appropriate month or months including frequency of pay
- The time periods covered by dependent care expenses
- The verification obtained, including the date verification was received and how it was obtained
- Explanation of any variances, including whether the variance is included or excluded

1130.3 Standard Verification.

- Bills for deductible expenses from the appropriate month or months

- A statement from the provider concerning the appropriate month(s) and the amount(s) and date(s) billed

Example of the Household's Failure to Report an expense: At certification, the household failed to report a $200 monthly dependent care expense. The reviewer verified the household was billed $200 monthly for dependent care. Although the household failed to report the expense at certification, the expense did exist for the budget month and the reviewer must include the expense for the time of certification.

1130.4 Special Treatment of Variances. This section provides instructions on special handling of the dependent care deduction.

- **Expenses Not Reported at Certification or Recertification.** A State agency's application and recertification forms for SNAP do not include a statement about forfeiting the household's right to a deduction for failing to report expenses. If the household failed to report a dependent care expense at certification and a dependent care expense existed for the budget month, the reviewer will determine the error by using the amount of the expense at the time of certification.

  If the household failed to report a periodic or annual expense at certification and the expense existed for the budget month, the reviewer will prorate the bill over the interval between billings. The reviewer will then use the amount prorated for the time of certification.

- **Change Reporting and Unreported Changes Subsequent to Certification or Recertification.** A change reporting household is not required to report changes in its dependent care costs. Therefore, if a variance is attributed to an unreported change subsequent to certification, the reviewer will exclude the variance and document the reason for the variance exclusion.

Example of a Reported Change the State Was Required to Have Processed, and an Unreported Change the Household was Not Required to Report: A household correctly reported and received a deduction for $100 in monthly dependent care costs for a three-month old child. Halfway through its certification period, on May 14th, the household learned that its costs would drop to $80 monthly. The household reported the change to the local SNAP office, and the agency failed to act on the reported change.

On July 20th, the household's dependent care costs dropped again to $60 monthly, but the household did not report the change. The reviewer verified $60 in monthly dependent care costs for the budget/sample month of September (change reporting, prospective eligibility and budgeting). The reviewer would exclude this variance, because the household was not required to report the drop in its dependent care expense.

In calculating the allotment, the reviewer must include the household's first change in monthly dependent care costs to $80 as a variance, because the change was reported and should have been in effect as of review date (AORD).

- **Expenses Reported at Any Time and Not Correctly Processed.**

  - If a household reports its circumstances and the State agency does not correctly process the deduction, the reviewer must follow this procedure (converting or prorating as appropriate)
  - If the State agency made a mathematical mistake, the reviewer must correct the mistake
  - If the State agency misapplied policy, the reviewer must correctly apply policy

1140 STANDARD DEDUCTION - 361. The State agency must deduct the standard deduction for all households. The amount of the standard deduction is determined by household size and minimum deduction amounts.

1140.1 Documentation. Documentation (other than on the computation sheet) is necessary only if there was a variance in the amount. If there was such a variance, the reviewer must explain the mistake in policy or in arithmetic.

1140.2 Verification. Verification of the standard deduction is not required.

1150 SHELTER DEDUCTION - 363. A household may deduct some or all of its excess shelter expenses.

$$\text{Excess Shelter Expense} = \text{Total Shelter} - \left(\frac{\text{Income - Other Deductions}}{2}\right)$$

1150.1 Calculation of Shelter Deduction.

- **Elderly/Disabled Households.** These households may deduct all of their excess shelter expenses because there is no excess shelter limit for elderly/disabled households
- **Other Households.** Households other than elderly/disabled may deduct their excess shelter expenses up to the limit for their area. The State agency must use the limit for the sample month

Example of a Second Mortgage: A household's monthly payment on its first mortgage was $350. The household also took out a second mortgage to buy an automobile. The monthly amount of that mortgage was $75. In calculating the shelter expenses, the reviewer would allow $425 in monthly mortgage expenses.

1151 Rent or Mortgage. The entire rent or mortgage payment for the household's shelter is a deductible expense. Mortgage payments include condo and association fees, or other continuing charges leading to the ownership of the shelter. Multiple mortgages (like second mortgages) for the same shelter are all deductible, as are lot rents for trailers/mobile homes. (See Section 1154, Unoccupied Home.)

Households in which all members are homeless but are incurring or reasonably expect to incur shelter expenses within the month, are subject to special provisions in the calculation of shelter expenses. The shelter expenses for these households must be:

- A State agency may provide the standard homeless shelter deduction (See Section 1157) or
- At the option of the household, actual verified shelter expenses that exceed the standard homeless shelter deduction

1151.1 Documentation. The reviewer must document the:

- Address or location of the dwelling
- Type of billing (rent or mortgage)
- Verification obtained and the date obtained
- Explanation of any variances, including whether the variance is included or excluded and correct calculations when necessary

1151.2 Standard Verification.

- Current statement from the institution(s) holding the mortgage(s)
- Current rent or mortgage receipt
- Current statement by the landlord or manager
- Current lease

1152 Property Taxes. Property taxes, State assessments, and local assessments on the household's home and property are deductible expenses. Personal property taxes are not deductible expenses.

1152.1 Documentation. The reviewer must document:

- The types of taxes and assessments
- The amounts of taxes and assessments
- The time period covered by taxes and assessments
- The verification obtained and date obtained
- Whether the property taxes are part of the mortgage payment
- Explanation of any variances, including whether the variances are included or excluded and correct calculations when necessary

1152.2 Standard Verification.

- Bills from the taxing authorities
- Statements from the taxing authorities

1153 Property Insurance. Property insurance premiums on the home itself are deductible expenses. Insurance premiums on personal property and furnishings are not deductible.

1153.1 Documentation. The reviewer must document:

- The type of property insurance
- The amounts of property insurance bills
- The time periods covered by insurance bills
- The name, address and phone number of the insurance company
- The verification obtained and date obtained
- Whether the property insurance premium is part of the mortgage payment
- Explanation of any variances, including whether the variances are included or excluded and correct calculations when necessary

1153.2 Standard Verification.

- Bills from the insurance company
- Statements from the insurance company
- Insurance policies

1154 Unoccupied Home. A household may deduct the shelter costs of a temporarily unoccupied home under certain conditions.

The absence from the unoccupied home must be due to one of the following circumstances:

- Employment away from home
- Training away from home
- Illness
- Abandonment caused by a natural disaster or casualty loss

In addition, the household must meet ***all*** of the following circumstances:

- The household must intend to return to the home
- Any resident of the home during the budget/sample month must not be claiming the shelter expenses for SNAP benefits in another case, and
- The home must not be leased or rented during the household's absence

1154.1 Documentation. The reviewer must document the:

- Address of the unoccupied home
- Household's entitlement to the deduction
- Verification obtained and date obtained
- Explanation of any variances, including whether the variances are included or excluded

1154.2 Standard Verification.

- Standard verification as listed for other shelter expenses
- Statements from any persons residing in the other home
- Documented statements from the case record

1155 Repairing a Damaged Home. The repair costs of a home are deductible only if the home was substantially damaged or destroyed by a natural disaster. These repair costs are not deductible if they have been or will be reimbursed from any source.

1155.1 Documentation. The reviewer must document:

- Cause of the damage
- Cost of the repair
- Verification obtained and date obtained
- Explanation of any variances, including whether the variances are included or excluded and correct calculations when necessary

1155.2 Standard Verification.

- Bills from providers
- Correspondence from the providers

1156 Utilities (Other Than the Standard Utility Allowance). A household may deduct a utility expense unless the State agency certified the household by using a standard utility allowance. Deductible utilities include (but are not limited to):

- Fuel for cooking
- Cooling or heating costs
- Electricity
- Wood purchased for heating
- Water
- Sewage

- Garbage and trash collection
- The basic service fee for one telephone (landline or cellular phone, contract or non-contract, including tax on the basic fee)
- Fees charged by the provider for installing the utility

An expense is not allowable if it is covered by an excluded vendor payment or by a reimbursement. The only exception to this concerns households who, in the month of or the 12 months prior to application, received the minimum payment for Low Income Home Energy Assistance Act (LIHEAA) that SNAP allows the SUA to be used.

1156.1 Documentation. The reviewer must document the:

- Type of utility
- Amounts of bills
- Utility companies
- Time periods covered by utility bills
- Verification obtained and date obtained
- Explanation of any variances, including whether the variances are included or excluded and correct calculations, when necessary

1156.2 Standard Verification.

- Bills from the utility companies
- Statements from the utility companies
- Statements or receipts from the company or individual from whom wood is purchased.

Note: A landlord's statement is only acceptable to verify utility expenses if the landlord bills for individual usage, or charges a flat rate separately, from the rent for utilities; otherwise, the standard verifications listed above must be used.

1157 Homeless Shelter Deduction. A State agency may use a standard homeless shelter deduction in place of the usual shelter deduction. In those States that use this deduction, the following applies.

1157.1 Documentation. The reviewer must document:

- The household's status as a homeless household
- The household's incurring of shelter expenses that entitle it to the homeless shelter deduction during the budget month
- The amount the household declares it incurred in shelter expenses

1157.2 Standard Verification. For the household's homeless status and for the incurring of shelter expenses:

- Statements from employees and volunteers of homeless shelters, halfway houses, etc.
- Statements from individuals who made temporary accommodations available
- Statements from providers of social services

Note: The reviewer need not verify all of the homeless household's actual shelter expenses for the budget/sample month. The reviewer must seek verification to indicate that the household incurred the minimum amounts of shelter costs to qualify for the standard.

1157.3 Variances. The following are *some* examples of variances that may exist:

- The state gave a household the homeless shelter deduction although the household was not homeless
- The state gave a household this deduction although the household received free shelter throughout the month
- The state gave a household this deduction although the household's shelter expenses were extremely low, and the state agency's policy was not to use the deduction in that situation
- The state did not give this deduction when the household was entitled to it
- The state gave this deduction when the household was entitled to deduct actual shelter expenses

Whether these variances are included or excluded depends upon the ordinary requirements for reporting and acting on information at certification actions and when changes occur. Documentation must indicate the household's circumstances, as well as, reviewer reasoning for including or excluding a variance.

1160 STANDARD UTILITY ALLOWANCE - 364. The State agency may offer a household a standard utility allowance (SUA) or actual expenses if the household verified higher expenses. The state agency may also mandate use of the SUA. If the State agency mandates the use of the SUA, the household cannot use actual expenses and SUA is not prorated between separate households.

The State agency may choose to offer SUAs in these ways:

- A single SUA mandated for all households
- A separate SUA for each utility
- A single SUA including heating or cooling, which is available to all entitled households
- Two single SUAs including heating or cooling:

  - One of these would be used by entitled households who receive non-LIHEAA indirect energy assistance payments
  - The other would be used by all other entitled households (including recipients of LIHEAA payments)

- A Limited Utility Allowance for households with no heating or cooling expenses, but who are billed for at least two utilities, one of which may be the telephone
- A SUA for households billed for only one utility, other than the telephone

The State agency may develop a variety of SUAs, depending upon such factors as:

- Household size
- Regions within States
- Season
- Month of application
- Length of the certification period

If the State agency does not mandate the use of the SUA, an individual household is entitled to use a SUA if:

- The household receives or expects to receive a LIHEAA payment for its current residence or
- The household meets all of the following criteria:
  - The expense is not totally covered by an excluded vendor payment or reimbursement
  - The household incurs an expense covered by the allowance (in the case of a single allowance that includes heating and cooling costs, it must incur heating or cooling expenses separate and apart from rent)
  - The expense is incurred during the certification period or the period covered by the SUA
  - The household is billed on a regular basis, or if it resides in private rental housing and is billed by their landlords on the basis of individual usage, or is charged a flat rate separately from the rent

Note: Residents of public housing units, that have central utility meters and only charge households for excess heating or cooling costs, are not entitled to a standard that includes heating or cooling costs based only on the charge for excess usage.

If the State agency mandates the use of the SUA, the household must receive the SUA if:

- The household is entitled to the SUA (see above) or
- The household resides in a public housing with central meters, paying only excess heating or cooling (when the allowance includes heating or cooling)

The State agency may not prorate the SUA of households that share utility expenses.

1160.1 Documentation. The reviewer must document the:

- Type of allowance
- Household's entitlement to that allowance
- Source of excluded vendor payments
- Verification obtained
- Explanation of any variances, including whether the variances are included or excluded, and correct calculations when necessary

1160.2 Standard Verification.

- Bills from the utility companies
- Statements from the utility companies
- Statements from providers of LIHEAA payments
- Statements or receipts from the company or individual from whom the wood is purchased

Note: A landlord's statement is only acceptable to verify utility expenses if the landlord bills for individual usage or charges a flat rate separately from the rent for utilities; otherwise, the standard verifications listed above must be used.

1160.3 Variances.

- If the household was entitled to the SUA, and received it, there was no variance
- If the household was not entitled to the SUA, but the EW used the SUA, the reviewer must determine whether the household was entitled to deduct its actual utility expenses at the time of certification, recertification or when a utility expense was reported
- If the household was entitled to deduct actual expenses, the reviewer will include the variance by using the actual expenses from certification, recertification or when the utility expenses were reported, whichever is the most recent
- If the household was not entitled to the SUA or to actual expenses, but received either the SUA or the actual expense, the reviewer will include the variance by not deducting any utility expenses
- If the household moved and was no longer entitled to the SUA, but received it, the reviewer will handle the variance in accordance with the household's

reporting and budgeting time frames
- If the household was entitled to either actual expenses or the SUA, but received neither, the reviewer will use the SUA unless the certification record documents that the household elected to use actual expenses. If such documentation exists, the reviewer will use actual expenses
- If the household was entitled to either actual expenses or the SUA and the certification record documents that the household chose to deduct the SUA at certification, but received a deduction for actual expenses instead, the reviewer will use the SUA when determining a variance
- If the State mandates the use of the SUA and the household was entitled to the SUA but received actual expenses instead, the reviewer will use the SUA when determining a variance

The reviewer must determine whether the State agency reasonably anticipated at certification, recertification or when a utility expense was reported, that the household would be entitled to the SUA. If the State agency's anticipation was reasonable, and the household received the SUA, there is no variance in the case. For unreported and incorrectly processed changes, see Section 1161.1.

1160.4 Prorated SUA. The reviewer must prorate the SUA if:

- The State does not mandate the use of the SUA, and
- Two or more households live together, and
- They share utility expenses, and
- The household being reviewed is entitled to the SUA and did not choose to verify actual higher costs

If the reviewer determines that the SUA should have been prorated for the household, the reviewer will prorate according to the State agency's procedure and document how the client qualified for the proration, as well as the calculation of the proration.

1161 Special Treatment of Variances. This section provides the instructions on special handling of shelter deductions including dwelling(s) and utilities.

1161.1 Expenses Not Reported at Certification/Recertification. If the household failed to report a monthly expense at certification and the expense existed for the budget month, the reviewer will determine the error by using the amount of the expense at the time of certification. This does not apply to State agencies with applications containing the statement that informs the household that failure to report or verify existing deductions at certification or recertification will result in the forfeiture of the right to a deduction.

If the household failed to report a periodic or annual expense at certification and the expense existed for the budget/sample month, the reviewer will prorate the bill over the interval between billings. The reviewer will then use the amount prorated for the time of certification.

1161.2 Change Reporting and Unreported Changes Subsequent to Certification/ Recertification. A change reporting household must report its shelter expenses only when it moves. (This does not impact the recipient's obligation to report changes in income.)

- The reviewer must exclude any variances caused by unreported changes subsequent to certification when the household did not move
- The reviewer must include any variances caused by a move subsequent to certification if the change should have been reported and acted upon AORD.

Example of an Unreported Change That the Household Was Required to Report*:* A household was certified, with prospective eligibility and budgeting, based upon monthly rent of $175. On March 16th, the household signed a lease for a different apartment, beginning May 1st, at $190 each month. In calculating shelter expenses for May, the reviewer would allow rent of $190, because the change was required to be reported by the household.

Example of an Unreported Change That the Household Was Not Required to Report: A household was certified with prospective eligibility, retrospective budgeting. At the time of certification, the household's monthly rent was $225. On June 1st, the household's rent for the same apartment changed to $300. The household did not report the change. In calculating shelter expenses for the budget month of August, the reviewer would allow rent of $225, because the change was not required to be reported. The increase in rent is an excludable variance.

1161.3 Expenses Reported at Any Time and Not Correctly Processed. If a household reports its circumstances and the State agency does not correctly process the deduction, the reviewer will follow this procedure (converting or prorating as appropriate):

- If the State agency made a mathematical mistake, the reviewer will correct the mistake
- If the State agency misapplied policy, the reviewer will correctly apply policy

Example of the State Agency's Failure to Process a Reported Change: A household was billed $240 for annual property taxes on November 3. When the household applied the next day, it reported and verified the expense. The EW did not allow the expense. In determining the variance, the reviewer will use $20, the amount of the expense prorated to the time of certification.

Example of a Mistake in Arithmetic: At certification, the household reported and verified a biweekly rental expense of $100. The EW converted the household's biweekly rent as follows:

$100.00 biweekly rent
X 2.15 conversion factor
$250.00 monthly rent

The reviewer discovered a mathematical mistake:

$100.00 biweekly rent
x 2.15 conversion factor
$215.00 monthly rent

The reviewer corrected the mathematical mistake by using the correct figures.

1161.4 Monthly Reporting and Actual Expenses. Some households must report and verify their expenses each month. If such a household failed to report or to verify its actual utility expenses on the monthly report and the household is not receiving a SUA, the reviewer must determine the variance by not considering that utility expense.

Example of a Monthly Reporting Household's Failure to Report Actual Expenses: A household was certified on the basis of an averaged electricity expense of $32 monthly. On its monthly report for the budget month of April, the household did not report its actual electric bill of $36. The reviewer will determine error by using $0 for the electricity expense.

1170 MEDICAL DEDUCTION - 365. A household may deduct the reported medical expenses (in excess of $35) of any household member who is elderly or disabled provided the expenses are not being reimbursed. This includes any anticipated changes in the household's medical expenses that can be reasonably anticipated for the certification period based on available information about the household member's medical condition, public or private insurance coverage, and current verified medical expenses.

States utilizing a standard medical deduction under an approved demonstration project must determine medical expenses according to the conditions in the approval and document the case accordingly.

1170.1 Deductible Expenses. A household may deduct the medical expenses of its entitled members to the extent that they exceed $35 for each household each month.

When performed, prescribed, or approved by a licensed practitioner, qualified health professional, or recognized facility, the following medical expenses are deductible:

- Basic care:
  - Medical care, dental care, psychotherapy, and rehabilitation
  - Hospitalization and outpatient care
  - Nursing care and nursing home care
- Hospitalization, outpatient, nursing and nursing home care for an individual who was a household member immediately prior to entering a hospital or nursing home
- Drugs:
  - Prescription drugs
  - Over-the-counter drugs (when prescribed by a licensed practitioner)
- Equipment:
  - Medical supplies
  - Sick-room equipment
  - Dentures
  - Hearing aids
  - Prosthetics
  - Prescribed eye glasses
  - Other prescribed equipment
- Health and hospitalization insurance policy premiums.
- Medicare/Medicaid:
  - Medicare premiums
  - Medicaid cost-sharing expenses
    Billed spend-down expenses

- Service animals (e.g., seeing eye dogs):
    - Securing and maintaining a service animal
    - Animal food
    - Veterinary care
- Reasonable costs of transportation and lodging to obtain medical treatment or services
- Attendant, homemaker, home health aide, child care services, or housekeeper necessary due to age, infirmity, or illness. Amount equal to the one-person coupon allotment if the household furnishes the majority of a home care attendant's meals

If an expense qualifies as both a dependent care deduction and a medical deduction, the expense may be deducted as either a dependent care expense, or a medical expense, but not both.

A household may not deduct the following expenses:

- Premiums for health and accident policies that pay lump sum settlements for death or dismemberment
- Premiums for health and accident policies that are payable as income maintenance, mortgage continuance or loan payments while the beneficiary is disabled
- Expenses that have not been verified as non-reimbursable

1170.2 Documentation. The reviewer must document the:

- Household members' entitlement to the deduction
- Deductible expenses
- Treatment of reimbursements
- Time periods covered by medical bills
- Verification obtained and the date obtained
- Explanation of any variances, including whether the variances are included or excluded and correct calculations, when necessary

1170.3 Standard Verification.

Positive Allegation:

- Bills from the providers of health insurance, services, and products
- Statements from these providers
- Health insurance policies clearly describing their areas of coverage

Negative Allegation*:* In the absence of contradictory information, the reviewer may accept the household's disclaimer of deductible medical expenses and health insurance.

1170.4 Calculation of Medical Expenses*.* The reviewer must review medical expenses as follows:

Comparison I*.* Verify actual medical expenses that are billed or otherwise became due in the budget/sample month. This figure includes any prorated amounts allocated to the budget/sample month. These figures are used in the comparison I allotment test. (See Section 621.)

Comparison II.

- Correct the worksheet expense figure for:
  - Misapplication of policy
  - Failure to act or correctly act on reported changes
  - Computational errors by the eligibility worker
  - Incorrect reporting, failure to report or failure to verify by the household at the time of certification/recertification
- Exclude variances attributable to an unreported change subsequent to a certification/recertification
- Use the corrected worksheet figure in the error determination process

1170.5 Special Treatment of Variances. This section provides the instructions on special handling of medical deductions

Reimbursement*.* If the EW requested verification of reimbursement from the household and the household was certified without the expense because it did not provide the verification, the reviewer must not allow the medical expense.

If the case record does not contain documentation of the EW's request for verification of reimbursement, or if the household did not report the medical expense at certification/ recertification; the reviewer must verify whether or not

Example of an Expense That the State Disallowed Because There Was No Verification: A household stated at certification that it incurred a monthly medical expense of $50 for visits to a doctor. The EW requested verification that the expense was not reimbursable. The household did not provide the verification, so the EW did not allow a medical deduction. There was no variance.

the household member had medical insurance, Medicaid, or Medicare AORD and the type of expenses covered.

1. If there was no insurance, the reviewer must allow the expense.
2. If the household had insurance but the verification clearly showed that a type of expense or portion of the expense was not covered by insurance, the portion of the expense not covered by insurance would be allowed.
3. If the household had insurance but there was no clear verification of whether an expense was covered by the insurance or the amount that the insurance would pay, the expense would not be allowed.

Example of a Reported Expense That the State Did Not Process, for No Apparent Reason: A household stated at certification that it incurred a monthly medical expense of $40 for visits to a doctor. The EW did not allow a medical deduction. The reviewer verified that the household had no medical insurance or Medicare AORD and included a variance.

- **Reported Medical Expenses.**

  Recurring Medical Expenses. Recurring medical expenses such as doctors' visits and prescriptions are considered by developing a monthly amount based on frequency.

  Processed Expenses. If the medical expense sources and amounts are correct, but the agency misapplied policy or made expense computational mistakes; the reviewer must use these correct amounts and apply correct policy in determining the medical expenses.

  The reviewer will consider periodic medical expenses that were prorated, to have been prorated based on the household's request for proration, unless the case record discloses a conflicting request by the

Example of a Change That Was Reported, But Not Processed: In the middle of the certification period, a household reported a new expense for a quarterly health insurance premium of $165. The household requested that the expense be prorated. The EW did not process this change. As the household reported the change and requested proration, the reviewer would allow the expense and prorate to the time the change was reported.

Example of Correct Proration of an Incorrectly Reported Expense: When a household applied on April 3rd, it reported a bimonthly dog food bill of $40 for its seeing-eye dog and requested proration of the expense. The EW prorated this expense and allowed $15 each month. The reviewer verified that at the time of application the household's bimonthly expense was actually $40; therefore, the reviewer corrected the EW's figures and used $20, the correct amount prorated to the time of certification.

household that the expense be deducted in the month that the expense was billed or otherwise became due. If the case supports a conflicting request, the periodic medical expense must be deducted only in the month in which it was billed or otherwise became due.

If the EW incorrectly prorated or did not prorate a medical expense that should have been prorated, the reviewer must calculate the correct prorated medical expense. The reviewer must correct any variance that occurred at the most recent certification/recertification or reported change.

Example of a Mistake in Prorating: During its certification interview, a household reports and requests proration for a bimonthly health insurance premium of $40. The EW prorated the premium over the interval between billings but incorrectly allowed $25 monthly. The reviewer verified a $40 expense at certification. The reviewer corrected the proration and used $20, the correct amount prorated to the time of certification.

Unprocessed Expenses. If the household reported an expense at certification and the EW did not process the expense, the reviewer will allow the expense. If the household requested proration, the expense will be prorated over the certification period.

If the household reported a change subsequent to certification and the EW did not process it, but should have in accordance with the time frames in Section 720, the reviewer must allow the expense. If the household requested proration, the expense will be prorated to the time the change was reported.

Example of a Reported Expense That the State Prorated Over Too Many Months: A household reported, and verified a one-time, non-reimbursable, hospital bill of $500 in September. The household requested that the expenses be prorated. The EW prorated the bill over October and November. The household's certification period was scheduled to end on December 31st. Any proration of this expense can be done only over the remainder of the certification period. The reviewer must prorate the amount of the reported change over the remaining months of the certification period; therefore, it should be prorated for October. November and December.

One-Time Medical Expenses. One-time medical expenses are prorated over the remainder of the months in the certification period or deducted in the month the expense is billed or otherwise becomes due. Discussion with the client by the EW is required to determine how the household wants the expense budgeted.

Processed Expenses. When one-time medical expenses have been prorated, the reviewer will consider the request for proration to have been made by the household unless the case record discloses a conflicting request (that the expense be deducted in the month that the expense was billed or otherwise became due). If the case supports a conflicting request, the one-time medical expense must be deducted only in the month in which it was billed or otherwise became due.

If the EW incorrectly prorated a medical expense that should be prorated, the reviewer must calculate the correct prorated medical expense. The reviewer must correct for any variance that occurred at the most recent certification/ recertification or reported change.

Example of a Processed, One-Time Expense: A household was certified in January for 12 months. On June 2, the household reported a one-time non-reimbursable medical expense of a $400 hospital bill. The household requested that the expense be prorated. The EW prorated the expense over seven months (June - December) and allowed $57.14 for each month. Since the expense was not included in the June allotment, the reviewer must prorate the expense over six months (July - December) and use $66.66 in the medical expense calculation.

Unprocessed Expenses. If the household reported an expense at certification and the EW did not process the expense, the reviewer will allow the expense in the medical expense calculation. If the household requested proration, the expense will be prorated over the certification period.

If the household reported a change subsequent to certification and the EW did not process it, but should have in accordance with the time frames in Section 720, the reviewer must allow the expense in the medical expense calculation. If the household requested proration, the expense will be prorated to the time the change was reported.

Example of a Reported, But Unprocessed Expense: A certified household incurred a $600 deductible medical expense in December, the last month of its certification period. Although the household reported the expense at its December certification interview and requested proration, the EW did not deduct it. The household's new certification period was January through June, and the sample month is one of these months. The reviewer corrects the EW's misapplication of policy by prorating the reported change over the 6 months of the new certification period.

Unreported Expenses. The reviewer must verify the household's unreported expenses at the time of certification or recertification and use the amount in the calculations for Comparison II specified in Section 1170.4 review instructions. Unreported

expenses are to be deducted in the month that the expense was billed or otherwise became due.

A household is not required to report changes in its medical expenses subsequent to certification or recertification; therefore, the reviewer must verify expenses and exclude any variances that are attributed to unreported changes in medical expenses during the certification period.

1180 CHILD SUPPORT PAYMENT DEDUCTION - 366. A household is entitled to the child support payment deduction if it incurs legally obligated costs for any child support, and payments are made to a non-household member for the care of a child. This includes legally obligated vendor payments made to a third party on behalf of a child. Voluntary support payments are not a deductible expense.

Example of the Difference Between Legally-Obligated and Voluntary Expenses: During its certification interview, a household reports a monthly child support payment in the amount of $150. In addition to the $150 monthly payment, the EW allowed a deduction for a payment in the amount of $25 to a day care center. The reviewer verified that the household was legally obligated and actually paying $150 a month in child support payments, and that the $25 payment to the day care center was voluntary. The reviewer corrected the misapplication of policy and used $150 in the error determination process.

1180.1 Documentation. The reviewer must document:

- Who is legally obligated to pay child support
- The amount, and payment schedule, that the household member is legally obligated to pay
- Who received the child support payments
- Who actually provided the child support payments and the dates and amounts actually paid
- Why the household was entitled to a deduction
- How much the child support payments were in the appropriate month or months subject to review
- The time periods covered by child support payments which were made
- The type of verification obtained
- Explanation of any variances, including whether the variances are included or excluded, and correct calculations when necessary

1180.2 Verification. The reviewer must verify the household's legal obligation to pay child support, the amount of the obligation, and the dates and amounts actually paid. The primary source of verification for declared child support payments is the household making the contribution. When support payments are made through a third party, such as a court or probation office, verification must be made through that agency. Verification can also be made through the person, or persons, in receipt of the child support payments. The reviewer must be alert to the effect of timing and amount of payment relative to the review date.

Child support payments should be verified through use of the following documentation:

From the Household. Documents or other records generally available from the household include:

- Canceled checks
- Wage withholding statements
- Income tax returns
- Divorce or separation decrees may be used, but attention to dates and potential modifications made
- Court order
- Support agreements
- Correspondence regarding support payments

From Other Sources. Documents or other records available from other sources for verification include:

- Statements from the custodial parent
- Court records
- Lawyer's records
- Divorce or separation decrees may be used, but attention to dates and potential modifications made.
- Employer's records showing attachment of wages
- Title IV-D and Child Support Enforcement agencies

Example of Incorrect Reporting of Deductible Expenses: At the certification interview on July 11th, the household stated that it was legally obligated and actually paying $60 a month in child support expenses. The EW allowed a child support deduction in the amount of $60. The reviewer verified that in addition to the $60 payment, the household actually paid $25 monthly for health insurance. The divorce decree (dated January 5th) stated that the household was legally obligated to pay $25 monthly for health insurance. The household actually paid the expenses and the difference existed at the time of certification; therefore, the reviewer will use $85 in the error determination process.

1180.3 Calculation of the Child Support Deductions. The reviewer must review child support deductions as follows:

Comparison I.

Verify the actual amount of the legally obligated child support payment in the budget/sample month. Convert if required. This figure is used in the comparison I allotment test.

Comparison II.

A. Correct the worksheet expense figure for

- Misapplication of policy
- Failure to act or correctly act on reported changes
- Computational errors by the eligibility worker, and
- Incorrect reporting or failure to report at the time of certification or recertification by the household

B. Exclude variances attributable to an unreported change subsequent to certification/recertification.

C. Use the corrected worksheet figure in the error determination process.

Example of a Reported, but Unprocessed Change: At certification, the household reported a $40 child support payment. The EW allowed a child support deduction in the amount of $40. The reviewer verified that the household's legal separation agreement had been amended one week after the household was certified and that the household actually paid $125 a month for child support. The reviewer found that the EW had documented receiving a call from the household reporting that its child support payment had increased to $125, but failed to take any action. In accordance with the reporting requirements and time frames, the change should have been in effect AORD; therefore, the reviewer would use $125 in the error determination process.

Chapter 12
MAKING THE REVIEW DECISION

1200 GENERAL. The review decision consists of determining whether there is an error in the case and, if so, the dollar amount of the error. The procedures to be used and the documentation requirements are described in this chapter. See Chapter 6, covering the eligibility and allotment tests which are integral to making the review decision.

The State agency may also opt to establish the dollar error amount associated with individual variances (See Section 1233.2).

1210 THE COMPUTATION SHEET. The SNAP computation sheet of Form FNS-380 is to be used to document all completed active case reviews. The only exceptions are reviews of households that were ineligible for reasons other than income. Columns (1) and (2) are required to be completed. Columns (3), (4), and (5) are optional, however it is suggested that Columns 3 and 4 be used for Comparison I and Comparison II, respectively, and that the final budget amount is transferred to Column 2. Regardless of the use of columns (3), (4), and (5), Columns (1) and (2) must be used as outlined in sections 1211 and 1212 below.

1211 Column (1). Column (1) of the computation sheet must be completed for all active case reviews. In this column, record the figures that the eligibility worker (EW) used to compute the allotment for the sample month.

1212 Column (2). Column (2) of the computation sheet must be completed for all active case reviews. Record in this column the final State Agency Quality Control (SAQC) determination figures based on the result of the review. The figures to use as final SAQC determination depend upon the results of the Eligibility and Allotment Tests of the Error Determination Process. See the guidance below and refer to Chapter 6.

If the household was ineligible because of gross or net income, the reviewer may stop at the appropriate income line.

1212.1 In the three cases below, the figures to use for final SAQC figures in Column (2) are the figures based upon verified circumstances, including or excluding variances as appropriate.

Case 1:

ELIGIBILITY TEST = Ineligible

ALLOTMENT TEST = N/A

Column 2 is filled out to the point of ineligibility.

(See Section 610.)

Case 2:

ELIGIBILITY TEST = Eligible

ALLOTMENT TEST =

COMPARISON I = The difference in the allotments is less than the error threshold or is equal to the error threshold.

COMPARISON II = N/A

Column 2 is filled out with the Comparison I figures.

(See Section 621.3.)

If the case has no countable error, the reviewer must **not** complete Comparison II. Errors that are below the error threshold level will not be included in the final determination of a State's official error rate. These amounts issued in error are considered an overissuance or an underissuance and must be recorded on Form FNS-380-1.

For cases that are ineligible, the total allotment amount is issued in error (See Section 622.3).

Case 3:

ELIGIBILITY TEST = Eligible

ALLOTMENT TEST:

COMPARISON I = The difference in the allotments is more than the error threshold.

COMPARISON II = The difference in the allotments is more than the error threshold

Column 2 is filled out with the figures with the smallest error amount from Comparison I or Comparison II.

(See Section 622.4.)

1212.2 In the case below, the figures to use as final SAQC figures in Column (2) are the figures based upon verified circumstances, including all variances. No variances are to be excluded.

Case 4:

ELIGIBILITY TEST = Eligible

ALLOTMENT TEST:

COMPARISON I = The difference in the allotments is more than the error threshold.

COMPARISON II = The difference in the allotments is less than the error threshold or is equal to the error threshold.

Column 2 is filled out with the Comparison II figures. There is no countable error in this case.

Errors that are below the error threshold level will not be included in the final determination of a State's official error rate. These amounts issued in error are considered an overissuance or an underissuance and must be recorded on Form FNS-380-1. For cases that are ineligible, the total allotment amount is issued in error (See Section 622.3).

1213 Columns (3), (4), and (5). It is suggested that Columns 3 and 4 be used for Comparison I and Comparison II, respectively, and that the final finding is transferred to Column 2. Column 5 of the computation sheet is included for the convenience of States and may be used for recording:

- The impacts of individual variances
- A retrospectively budgeted household's prospective eligibility
- Any other State identified purpose

1220 COMPUTING THE AMOUNT ISSUED IN ERROR. The amount issued in error is the difference between the allotment amount authorized by the EW for issuance for the sample month (last line of Column (1) of the SNAP computation sheet) and the allotment amount computed by the SAQC reviewer (last line of Column (2) of the SNAP computation sheet), including eligible cases with differences that are less than or equal to the error threshold. Although errors below the threshold level will not be included in the final determination of a State's official error rate, the amounts issued in error are considered an overissuance or an underissuance and must be recorded on Form FNS-380-1.

For cases that are ineligible, the total allotment amount is issued in error. There is no comparison to the current error threshold. If the difference between the amounts is greater than error threshold, there is an error in the allotment amount authorized for the sample month. This amount must be included in the error rate. The reviewer must use the figures from either Comparison I or Comparison II to determine the amount in error. The figures used must be whichever figures result in the least quantitative error for the case. (See chapter 6.)

1230 THE REVIEW SCHEDULE. The Review Schedule Form FNS-380-1 is to be used to record error findings from reviews of active cases. A line-by- line description of this form is contained in Appendix C following the form. For purposes of this chapter, the completion of items 8 (Review Findings), 10 (Error Amount), and 16 (Error Amount (Optional)) of Form FNS-380-1 are described below.

1231 Coding the Review Findings - Item 8. For Item 8 of Form FNS-380-1, indicate the results of the Quality Control review by entering one of the following codes:

CODE	DESCRIPTION
1	Amount correct (allotment difference $0)
2	Overissuance (regardless of the error threshold)
3	Underissuance (regardless of the error threshold)
4	Ineligible

Example of the Coding of Case Findings: This shows the coding for the cases illustrated in Section 1212 above.

Case 1	Code 4 - Ineligible
Case 2	Code 1, Code 2 or Code 3, as appropriate
Case 3	Code 2 or Code 3, as appropriate
Case 4	Code 1, Code 2 or Code 3, as appropriate

1232 Error Amount - Item 10. For Item 10 of Form FNS-380-1, indicate the dollar amount issued in error, computed as in Section 1220 above. This must include amounts that are less than the error threshold.

As an example, the cases illustrated in Section 1212 above would be handled as follows:

Example of the Coding the Amount of Error: This shows the coding for the cases illustrated in Section 1212 above.

	DOLLAR AMOUNT ISSUED IN ERROR
Case 1	Entire allotment amount was issued in error
Case 2	Allotment difference regardless of error threshold
Case 3	Least error amount from Comparison 1 or Comparison 2
Case 4	Allotment difference regardless of error threshold

1233 Coding the Dollar Amount Associated With Variances - Item 16.

1233.1 Mandatory Use. All State agencies must compute and enter the dollar amount associated with excluded variances that resulted from correctly processed information. The State agency will use the method outlined in the paragraph entitled "One Variance" in Section 1233.2 when there is only one variance in the case. When there is more than one variance, the State agency may use the simple calculation method outlined in the first bulleted subsection, entitled "Simple Calculation Method," under the paragraph entitled "Multiple Variances," in Section 1233.2 or an alternate method to determine the dollar amount of the errors.

1233.2 Optional Use. At its option the State agency may elect to code the dollar error amount associated with individual included variances. The dollar amount of all included variances must be reported as a total in Item 10, Error Amount. For those State agencies electing to code the dollar error amount associated with individual variances, the following guidance is offered.

One Variance. If only one variance exists in the case, the dollar amount of error to be recorded in Item 16 is the same as the amount recorded in Item 10. (See Section 1232.) No further calculations are necessary. Complete the other items in Section 2 of Form FNS-380-1, as appropriate.

Multiple Variances. If more than one variance exists in the case, the dollar amount of error to be recorded in Item 16 is calculated for each variance. Use the SNAP computation sheet, Columns 3, 4, or 5, and one of the methods below (or another method) to determine the impact (error amount) attributable to each

individual variance. If the case has more than three variances, or if additional columns are needed for some other reason, use additional computation sheets. After the individual impacts are determined, complete the items in Section 2 of Form FNS-380-1.

- **Simple Calculation Method.**

The simple calculation involves taking a separate look at each variance and identifying the dollar impact of the variance when looked at in isolation of anything else happening in the case. To do this, use the EW's figures for everything except the variance being calculated.

When using this method, the sum of the impacts of the individual variances does not equal the amount of the overissuance or underissuance identified for the case.

To calculate the impact of the individual variances, complete a separate column of the SNAP computation worksheet.

- ➢ At the top of the column, identify the variance being examined
- ➢ Use the EW's figures for all elements, except the element containing the variance under examination
- ➢ For any element containing two or more variances in a single element, treat each variance separately
- ➢ Compute an allotment amount based upon the EW's figures for everything except the variance being calculated. For the variance being examined use the corrected figure
- ➢ Compare this allotment amount with the allotment amount authorized by the EW for the issuance month. The difference between these two amounts is the dollar impact, associated with that particular variance

Repeat all steps for each variance.

Example: If the calculation using the variance yields an allotment of $125 and the EW figures calculated an allotment of $100, the impact of the variance is a lowering of the allotment by $25. This would be indicated as a negative number, - 25.

If the calculation using the variance yields an allotment of $85 and the EW figures calculated an allotment of $100, the impact of the variance is an increase of the allotment by $15. This would be indicated as a positive number, + 15.

(See the example case and figure 1.)

- **Refined Calculation for Multiple Variances.**

The refined calculation method is an expansion on the simple calculation method. When using the simple calculation method, for more than one variance in a case, the sum of the impacts of the individual variances do not equal the amount of the overissuance or underissuance. The refined calculation is a methodology to follow which takes the actual amount established as the overissuance or underissuance, and identifies the impact of the individual variance relative to the error amount. This method goes a step beyond the simple calculation to ensure that the sum of the impacts equals the amount of overissuance/underissuance for the case. This places the impacts of individual variances more into perspective.

Perform all the steps of the Simple Calculation method above to establish the impact of the individual variances.

Total the resultant individual dollar impact amounts. In doing this total, negative numbers are subtracted from positive numbers.

Determine the percentage of the actual error dollars for the case relative to the total of the individual impacts of the variances. By determining the percentage that the error dollars are to the sum of the individual impacts of the variances, you can apply this resultant percentage to the individual impacts of a variance to determine its relative impact to the error dollars of the case.

To determine the percentage, divide the overissuance/underissuance amount for the case by the total of the impact of the individual variances.

Percentage of error dollars of total impact of the individual variances:

$$\frac{\text{Overissuance/Underissuance Error Dollars}}{\text{Total of the Dollar impact of the individual variances}} \times 100$$

Multiply each individual dollar impact for a variance by the determined percentage. Each resultant figure represents the dollar impact, associated with that particular variance.

(See the example case and figure 2.)

Example Case:

Household Description: The household was comprised of Jan Williams (age 35) and her two children, Alan (age 15) and Terry (age 11). Mrs. Williams' mother, Mary Bailey (age 61), also lived in the household. All 4 purchased and prepared their meals together. No one was disabled. Jan Williams earned $650 a month working part-time at a local hardware store. She netted $500 a month from rental property that she did not actively manage. She also received $400 a month for child support from her ex-husband. Her mother, Mrs. Bailey, earned $450 a month working part-time at the local movie theater. The rent and utilities for their apartment totaled $1050 a month. The household was certified as a 3-person household for October 2001.

EW actions: The EW correctly identified Jan Williams' earned income from the hardware store, her unearned income from the rental property, and correctly computed the shelter costs.

Variances: There are 4 variances in the case: 1) The EW failed to include the unearned income from child support, 2) The EW incorrectly excluded Mrs. Bailey from the household, and in doing so, failed to include Mrs. Bailey's $450 a month earned income, 3) used the allotment amount for a household of 3, instead of a household of 4, and 4) incorrectly allowed medical deductions for Jan Williams and her sons.

Impact Calculation: Figures 1 and 2 below, trace the calculation of the impact of each of the individual variances in the example case.

Simple Calculation Method (Figure 1) Refined calculation Method (Figure 2)

Figure 1

Simple Calculation of Variance Dollar Amounts Associated With Individual Variances

	EW	SAQC	Variance	A	B	C	D
Earned Income	650	1100	A	1100	650	650	650
Unearned Income	500	900	B	500	900	500	500
Gross Monthly Income	1150	2000		1600	1550	1150	1150
Earned Income Deduction	130	220		220	130	130	130
Standard Deduction	134	134		134	134	134	134
Excess Medical Costs	30	0	C	30	30	0	30
Allowable Shelter Deduction (Actual costs = $1050)	622	227		332	422	607	622
Net Monthly Income	234	1419		1104	834	279	234
Thrifty Food Plan	356	452	D	356	356	356	452
30% of Net Income	71	426		332	251	84	71
Allotment	285	26		24	105	272	381
Over/Underissuance or Impact		259		261	180	13	-96

Variance A = $450 in earned income not counted by EW. Individual impact = $261 overissuance.

Variance B = $400 in unearned income not counted by EW. Individual impact = $180 overissuance.

Variance C = EW incorrectly allowed medical costs (not elderly/disabled). Individual impact = $13 overissuance.

Variance D = Household size was 4, not 3. TFP = $452. Individual impact = $96 underissuance.

Note: Using this method, the sum of the individual impacts ($358) is not equal to the overissuance ($259).

Figure 2

Refined Calculation of Variance Dollar Amounts Associated With Individual Variances

Calculation of Refinement Factor:

259 (Over/Underissuance)
÷ 358 (Sum of Impacts)
= .72 (Refinement Factor)

$ Impact by Individual Variances

	A	*B*	*C*	*D*
Impacts by Simple Calculation Method	261	180	13	-96
Times Refinement Factor	.72	.72	.72	.72
Impacts by Refined Calculation Method	188	130	10	-69

Sum of Impacts = 259

Using this method, the sum of the impacts ($259) is equal to the overissuance ($259).

1240 TRANSMISSION/RELEASE OF ACTIVE CASE FINDINGS TO FNS, DATA CHECKING, AND CHANGING CASE FINDINGS. Once the error determination process is completed and the review decision has been made, the case findings shall be transmitted/released to FNS. Once a completed case has been transmitted/released, the protected field findings for that case may not be changed.

Chapter 13
NEGATIVE ACTION RECORD REVIEWS

1300 INTRODUCTION. This chapter describes reviews of negative actions.

1310 PURPOSE AND SCOPE OF THE NEGATIVE ACTION REVIEW.

This section provides guidance on conducting reviews of the household's case record including documentation of verification contained in the case record and obtaining verification from collateral contacts. The negative action review does not include a field investigation to ascertain the total circumstances of the household as of the review date. Instead, the negative action review is primarily a desk review with possible contact with the household or a collateral contact.

Negative actions are actions that were taken to deny, terminate, or suspend a household's benefits. The purpose of the negative action review is to verify, through documentation contained in the case record, whether the State agency's action to deny, terminate, or suspend the household was valid. A valid negative action is one that is based on a valid reason, documented in the case record, where the action and reason are properly communicated to the household in easily understandable language. Certain required application and recertification application processing procedures are reviewed in determining validity (Section 1340).

In constructing the negative sample frame the action date will be sampled and must fall within the sample month. The action (review) date for negative actions could be:

- The date of the agency's decision to deny, terminate or suspend program benefits;
- The date on which the decision is entered into the computer system; or
- The date of the notice to the household, depending on the characteristics of individual State Systems.

State agencies must consistently apply the same definition for the review date to all sample actions of the same classification. Only the action sampled is subject to review. Other actions, including actions taken on the case after sampling are not considered a part of the review.

1320 NEGATIVE DEFINITIONS.

Action (review) date could be the date of the agency's decision to deny, terminate or suspend program benefits, the date on which the decision is entered into the computer system, or the date of the notice to the household, depending on the characteristics of individual State Systems.

Case and Procedural Error Rate (CAPER) – The measurement of negative case reviews.

Decision Date – The date that a decision was made to deny an application, terminate or suspend a household's participation in SNAP.

Denial – An action taken to implement a determination that a household is ineligible for SNAP.

Invalid - An action to deny, terminate or suspend in which the eligibility determination, case processing procedures, and/or notification to the client was not correct.

Negative Action – Any process, manual or automatic, to deny benefits to a SNAP applicant household, terminate benefits of certified SNAP households or suspend benefits of certified SNAP households.

Notices – Documented communication(s) (non-verbal) that are sent to SNAP applicant households and SNAP participant households. Some communications describe negative actions and some do not. Examples of such notices include: Notice of Adverse Action, Denial Notice, Suspension Notice, Notice of Missed Interview, Notice of Missing Verification, Request for Contact, Reminder notice, etc.

Procedurally Appropriate –Having accurately applied policy; the SNAP certification/recertification process leading up to and as part of the action taken against the household was done in accordance with the procedures set by SNAP's certification policy rules.

QC Negative Action Review – The review of the action taken to deny benefits to a SNAP applicant household, or the action to terminate benefits of certified SNAP households or the action to suspend benefits of certified SNAP households.

Review Date – The date of the sampled action that is being reviewed as a negative action.

Suspension - An action taken to suspend benefits when a household has not been terminated from the Program but is ineligible for benefits or is eligible for

zero benefits.

Termination – An action taken to discontinue SNAP benefits.

Valid - An action to deny, terminate or suspend in which the eligibility determination, case processing procedures, and notification to the client was correct.

1330 DISPOSITION OF ACTION REVIEWS. Each negative action selected in the sample of negative actions must be coded and summarized (See Appendix D) on the FNS-245 form by classifying it as review completed (See Section 1350), not subject to review (NSTR)/listed in error, case deselected (See Section 1332), or incomplete (See Section 1333).

1331 Actions Subject to Review. The following actions are subject to review:

- Any action to deny initial benefits
- Any action to deny benefits at recertification
- Any action to terminate benefits. A termination is the result of a deliberate State agency action
- Any action to terminate the SNAP benefits of a former TANF household that should be receiving transitional benefits
- Any deliberate termination action (not a certification period expiration) taken in response to a reported change in household circumstances, even if the certification period would have ended
- Any action to terminate a household that continued to receive benefits pending a fair hearing
- Any action to shorten a certification period
- Any action to suspend a household's benefits; including suspended households whose benefits were later restored
- Any suspended household that continued to receive benefits Pending a fair hearing
- Households whose certification periods expired that should have received transitional benefits and did not

1332 Actions Not Subject to Review. Certain types of negative actions are to be excluded from the QC sample. These are normally eliminated in the sampling process; however, if such actions reach the reviewer, they must be eliminated at that point and reported as NSTR on the Quality Control Negative Action Review Schedule, Form FNS-245. Actions that meet the criterial to be considered NSTR from the list below take precedence over any other finding. Such actions include:

- Households that have withdrawn an application prior to the agency's determination
- Households that at the time of sampling are:
    1. Under active investigation for intentional SNAP violation (IPV)
    2. Scheduled for an IPV investigation sometime during the next five months, or
    3. Pending an IPV hearing.

- Households that have their SNAP case closed when their assigned certification period ends, i.e., the household is not recertified. The certification period closure itself is NSTR. If the household applied for recertification and, for whatever reason, the recertification application was denied, that denial is subject to review
- Actions removed from the sample as a result of a correction for oversampling
- Households that have been sent a notice of pending status but were not actually denied participation.
- Actions listed in error. This category of actions includes administrative actions necessitated by a State agency's certification system and/or procedures, where there is no intent to deny or terminate a household's program benefits, only to correct an administrative fault in the case. An example would be an action where the household was erroneously registered (wrong SSN, etc.) and was subsequently denied because it was already registered under another case number (before any benefits were issued). Other examples would include situations where a household has filed multiple applications and only one needs to be processed while the others are removed from the system, or situations in which the certification system will only allow the reclassification of an action (PA/SNAP to non-PA/SNAP, for example) by closing the case under the original case number and on the same day reopening under a new case number. Adequate documentation must be provided to support this finding.

Example of Administrative Denial: On 1/5 the household applies for SNAP using the State's website on-line application. On 1/7 the household also files a paper application in the local certification office. Both applications are input into the State's certification system. When the EW interviews the household on 1/10 the duplicate applications are discovered, the EW removes the 1/7 application from the system and processes the 1/5 (first one received) application for certification. The removal of the 1/7 application from the system is an administrative action NSTR for QC negative review.

Example of Administrative Denial: On 1/5 the household applies only for Medicaid benefits using the State's multiple program (TANF/SNAP/Medicaid) application. On 1/14 the EW denies the household's application for Medicaid and the State's certification system issues denial notices for Medicaid, and TANF and SNAP as well. The SNAP denial of the 1/5 application for Medicaid is a NSTR administrative action. If there is no application for SNAP there can be no denial for SNAP that is subject to QC negative review.

Example of Administrative Termination: A woman and her two daughters are receiving TANF and SNAP benefits under case number PA1775713. On 1/14 she reports that the children are now living with their father. The EW processes the reported change to terminate the TANF income, update the household size from 3 to 1, and recalculate a new lower SNAP allotment effective 2/1 under case number NPA3140822.

Case number PA1775713 is shut down at the same time that case number NPA3140822 is opened up. The reclassification of the household and subsequent assignment of a new case number in the certification system is an administrative action NSTR for QC negative review.

- Households denied SNAP benefits under a disaster certification authorized by FNS.
- Household's benefits which are terminated or suspended for failure to file a complete monthly report by the extended filing date, but who were reinstated when, subsequently, the complete report was filed before the end of the issuance month, and the household received the full months' SNAP benefits.

Example of an action following a Failure to File Report that is NSTR: The household has been certified from January thru December and is on monthly reporting in a two month retrospective budgeting system. The monthly report is due on the 5th of every month. The household fails to submit the monthly report for May by 6/5, and on 6/15 the EW terminates the case effective 6/30 and sends a Notice of Termination for failure to file the monthly report. The household files the report on 6/28 and on 7/3 certification is restored and full benefits for July are authorized.

Example of an action following a Failure to File Report that is Subject to Review: The household has been certified from January thru December and is on monthly reporting in a two month retrospective budgeting system. The monthly report is due on the 5th of every month. The household fails to submit the monthly report for May by 6/5, and on 6/15 the EW terminates the case effective 6/30 and sends a Notice of Termination for failure to file the monthly report. The household files the report on 7/5 and on 7/10 certification is restored and prorated benefits for July are authorized.

- Households that experience a break in participation due to a computer malfunction that is not the result of a deliberate action by the State agency to terminate benefits.
- A suspended case after the initial month of a multi-month suspension.

1333 Incomplete Cases. A negative action is to be reported as incomplete if, after all reasonable efforts, the reviewer is unable to locate the case record. The case record may consist of a paper or electronic record, however limited. If what constitutes the case record for a specific action does not document the specific negative action under review, the action must be coded as invalid. Since automation has advanced over time, most actions will have some records to review. An action should have a disposition of incomplete only on the rare occasion when there are no paper documents and no automated record on the household. This is the only reason for which a reviewer may designate a sampled action as incomplete.

1340 APPLICATION PROCESSING ASPECTS OF THE NEGATIVE REVIEW.

SNAP policy requires case files be documented to support eligibility, ineligibility, and benefit level determinations. Documentation must be in sufficient detail to permit a reviewer to determine the reasonableness and accuracy of the determination.

Negative actions are reviewed to determine the validity of the agency's action to deny, terminate, or suspend the household. Certain failures to complete application processing requirements correctly are part of that review and may result in a negative action being determined to be inappropriate and, therefore, invalid. Some examples of failures to complete application processing requirements include, but are not limited to, the following (unless an approved waiver is in place for the state agency):

- Failure to send an Appointment Letter/Notice of Missed Interview

(NOMI)/Reminder notice/Notice of Required Verification/Notice of Denial, when required, or sending the required letter or notice to an incorrect address; notification to the household must be made accurately.

- Failure to provide expedited service where appropriate;
- Denial of action prior to the 30th day when verification was requested.

Example of Invalid Application Processing: On 6/2 the household applies for SNAP benefits. On 6/10 the household is interviewed and asked to provide verification of income by 6/20. The household does not provide the requested verification the 30th day following the application is 7/2, a Saturday. The EW denies the application on Friday, 7/1 for failure to provide verification. This action is invalid as the agency failed to wait the entire 30 days following the date of application before denying the application.

- Denial of an application after the 30th day when not properly pended.
- Failure to take action on an application by the 30th day following the date of the application, or the 60th day of the application (for those states with the option to pend for requested verification rather than deny at the end of the original 30 day period). This results in withholding benefits to a household through inaction rather than an actual action. When the 30th (60th) day falls on a weekend or holiday, the action must be taken on the next business day following the weekend or holiday to be considered timely.
- Failure to take actions required during recertification application processing or failure to perform required actions in the denial of an application for recertification of benefits.

Example of an Invalid Application Processing: On 1/20 the household applies for SNAP benefits. On 4/27 the household is sent a letter scheduling a certification interview on 5/5. The letter is returned by the Post Office marked "Addressee moved, no forwarding address". On 5/10 the 1/20 application is denied, with the reason cited as the household's failure to attend a certification interview. This action is invalid as the agency failed to process the application for SNAP benefits within 30 days of the date of application.

Example of Valid Application Processing: On 6/2 the household applies for SNAP benefits. On 6/10 the household is interviewed and asked to provide verification of income by 6/20. The household does not provide the requested verification. The 30th day following the date of application is 7/2, a Saturday. Monday, 7/4 is a Federal holiday. The EW denies the application on Tuesday, 7/5 for failure to provide verification. A proper Denial Notice is sent. This action is valid as the agency correctly waited until the first business day the agency was open 30 days following the date of application before denying the application.

Example of Untimely denial for NOMI: Household applies on 4/8 for SNAP Benefits. An interview is set for 4/10. The household fails to show for the schedule interview. The EW takes action on 4/15 to deny the application for failure to appear for the scheduled interview. On 4/28, the EW sends the NOMI letter to the household. This is an invalid denial action since the NOMI was sent after the action to deny was taken.

Example of Untimely Denial: Household applies on 3/4 for SNAP Benefits. On 3/8, the EW sends a request for verification letter stating the information must be received by 3/18. On 3 / 16, the EW takes action to deny the application for failure to provide verification. This is an invalid denial action since the full 10 days were not given for the household to provide the requested verification.

Example of Invalid Recertification Application Processing: Household applies timely for recertification on 6/10 for continuation of their SNAP Benefits starting 7/1. The State schedules the interview on 6/25, which the client attends, and the EW requests additional required verification and establishes the due date as 7/1. On 7/2, the EW takes action to deny the recertification application for failure to provide verification. This is an invalid denial action since the EW did not schedule the household's interview when the household would have at least 10 days after the interview to provide verification before the certification period would expire.

These procedures are to be assessed in Section 1350.2 (Step 2). If it has been determined that any of these application processing requirements were not properly followed the action is invalid.

1350 CONDUCTING NEGATIVE ACTION REVIEWS. The negative review consists of four successive steps. The progression from one step to the next is dependent on whether a decision of invalidity is made at a step. The four steps of the negative action review are:

- Step 1: Review the circumstances of the action and ensure the action is Subject to Review; (See Section 1332)
- Step 2: Review of action sampled to determine, if based upon the known circumstances, the negative action should have been initiated. In addition, the reason provided to the household must clearly explain what the action was and why it was taken. (See Section 1350.2);
- Step 3: Collateral and/or household contact for purposes of obtaining verification supporting the reason given for the negative action (optional) (See Section 1350.3); and
- Step 4: Documentation and reporting of review findings (See Section 1350.4).

1350.1 Step 1: Determine Subject to Review Status. Review the

circumstances of the action and determine if it is NSTR using Section 1332 as a guide. If the action meets the circumstances to be NSTR then proceed to 1350.4 Step 4. If one of the NSTR reasons does not apply, the action is subject to review and the reviewer should continue to 1350.2 Step 2.

1350.2 Step 2: Review of Action Sampled. The reviewer shall evaluate the stated reason(s) for the negative action. Generally, the notice(s) to the household will be the source of the information for the reason(s) for the negative action. If the reviewer cannot find the notice, the reviewer shall review the case file to determine if the reason(s) for the action can be found and the method by which the action was provided to the household. During this evaluation the reviewer examines all of the information available to determine:

- The reason for the negative action that was sampled
- Whether the household was appropriately notified of the reason(s) for the negative action that was sampled. The notification to the household will be considered timely, and therefore procedurally appropriate, if it is sent to the household no later than 2 business days following the regulatory required date of the negative action
- Whether the action was procedurally appropriate for the situation, and
- Whether the validity of the action was adequately documented as described in Section 1360

In situations where there are multiple reasons for an action that are included on a notice, all reasons must be accurate and must clearly describe the situation so that the household is able to clearly understand why the negative action has been taken. If there are reasons that have been indicated that are not applicable or if any reason is not correct, the negative action will be determined to be invalid.

This determination shall take into account the additional application processing requirements of the negative action review found in Section 1340 to determine that the eligibility worker followed all of the appropriate procedural steps.

The basic review process is as follows:

- If the action results in the determination of a valid decision and correct notice, then the review is complete and the reviewer shall skip to Step 4 and document the review findings as specified in Section 1350.4.
- If the reviewer is unable to determine the specific reason(s) given for the action due to inadequate documentation in the case file, the case is invalid and the reviewer shall proceed to Step 4.
- If verification is inadequate or if there is conflicting information, the reviewer may proceed to Step 3 (Section 1350.3) to obtain the necessary verification to determine the validity of the action and/or to reconcile conflicting information

in the case file.

- If the reviewer opts not to perform Step 3, the reviewer shall proceed to Step 4.
- Once the reviewer has determined the validity or invalidity of the action, the reviewer shall go to Step 4 and document the review findings as specified in Section 1350.4.

Transitional Benefits. In States with transitional benefits, if the eligibility worker failed to establish transitional benefits for a household that should have been receiving transitional benefits, the action must be reviewed in accordance with review procedures specified in this section. The reviewer must determine if the household meets any of the following criteria that would render the action ineligible to receive transitional benefits:

1. The household lost its TANF cash assistance because of a sanction
2. The household was disqualified from SNAP
3. The household is in a category of households designated by the State as ineligible for transitional benefits, or
4. The household returned to TANF

If the reviewer verifies that the household should have received TBA, the action shall be coded as invalid.

1350.3 Step 3: Collateral and/or Household Contact (Optional).

The reviewer may contact the household or a collateral contact if the eligibility element(s) that caused the denial, termination, or suspension action to be taken need to be verified due to inadequate documentation and/or if conflicting information in the case record must be resolved to confirm the validity of the action. The reviewer shall not make a contact if the information regarding this element(s) is clear and accurate. If any information is obtained that is not relevant to the item for which the contact was made, that information shall not be considered in the review decision. The contact must focus only on the element(s) that led to the negative action under review that were inadequately addressed and documented in the record or to clarify conflicting information pertaining to the denial reason. The reviewer is basing the determination strictly on the element(s) of eligibility leading to the negative action and the information regarding those element(s) which existed and were available to the eligibility worker at that time.

The procedures in Sections 424.7, Obtaining Collateral Contacts, and 430, Collateral Contacts, must be used in establishing collateral contacts. The reviewer must use the most reliable collateral verification available (e.g., banks, payroll listings, etc.) and must thoroughly document and/or attach all verification obtained.

The telephone shall be the primary method of contacting the household or a collateral contact for a negative action review. If a telephone contact is not possible or is unsuccessful, the reviewer may send a letter. The reason for using a

letter must be documented on the FNS-245 and a copy of the letter included. The letter must clearly address the element(s) in question. Absent such documentation or if the letter addresses areas beyond the element(s) in question, information obtained through the use of a letter shall not be allowed in the error analysis.

- If any information obtained by the reviewer differs from that given by the household, the reviewer must resolve the differences. The manner in which the conflicting information is resolved must include recontacting the household about the specific information in question. If the household cannot be reached, the reviewer must accept the collateral verification as valid. The reviewer must document the attempts to contact the household.
- If the reviewer determines that the verification received is adequate documentation to determine that the negative action was valid then it is to be documented as specified in Step 4 (Section 1350.4).
- If the household/collateral contact cannot be found, does not cooperate and/or the reviewer is unable to obtain the verification necessary to demonstrate that the negative action was valid then it is determined to be an invalid negative and documented as specified in Step 4 (Section 1350.4).

1350.4 Step 4: Documentation and Reporting of Review Findings.

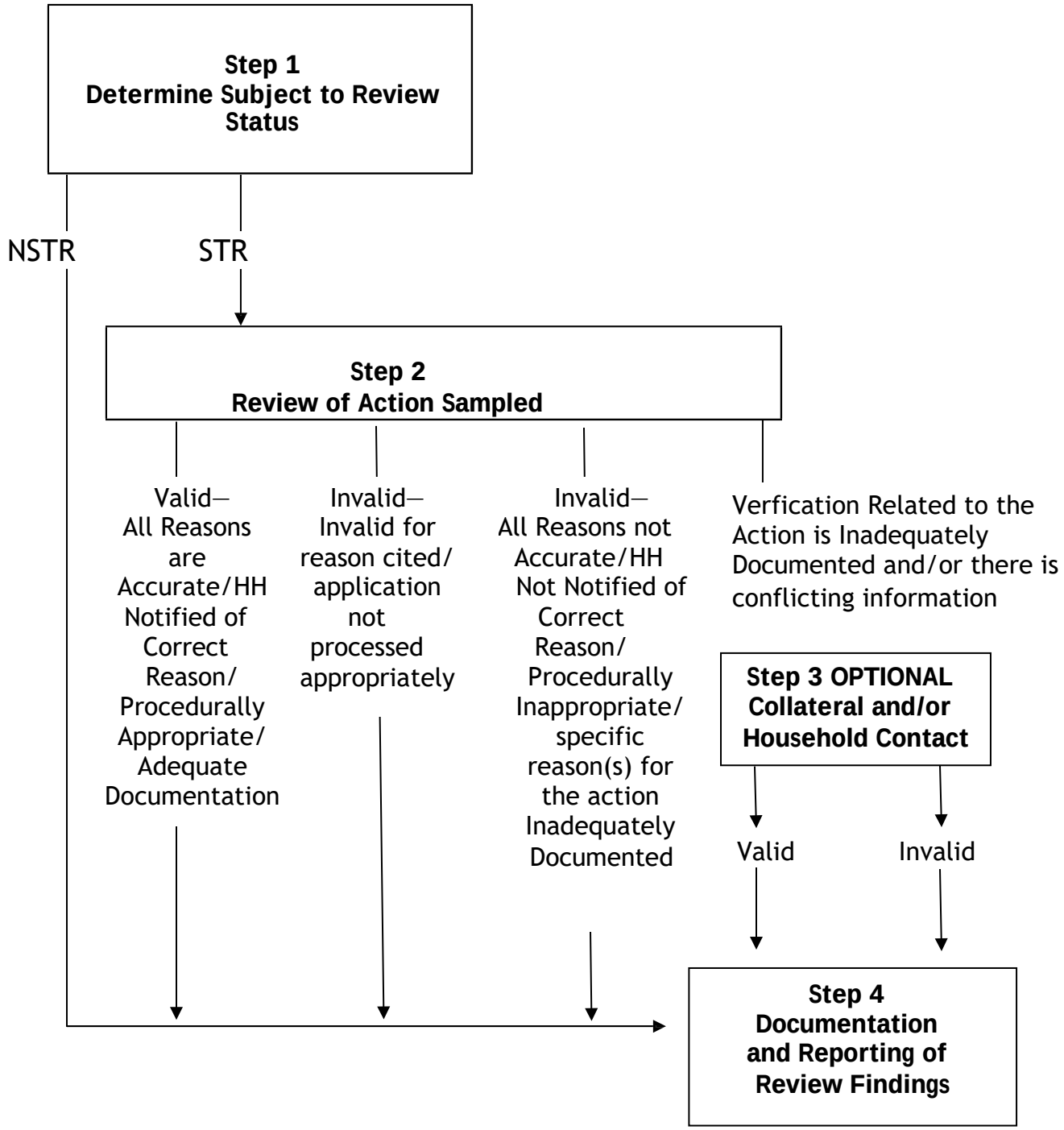
The reviewer is to complete the FNS-245 and document the reasons for denial, termination or suspension. A complete explanation of the negative action taken, narrative or documentation to show the appropriateness of the action, including all applicable dates. All supporting documentation must be attached. If a household or collateral contact was made, the FNS-245 must indicate why and identify who was contacted and the results of that contact.

When the action to deny, terminate or suspend an action is found to be invalid, a variance exists in the action. The action is invalid if the reviewer cannot confirm the validity of the eligibility worker's decision in the case record to deny, terminate or suspend the action for the stated reason(s).

When a negative action is invalid, the reviewer must document the QC file with the inaccuracies of the case and report that the case requires corrective action by State operations/policy. Such action will depend on the reason the action is invalid.

For instance, problems with notices or timely processing would require different corrective action than an incorrect evaluation of a household’s income or resources. The reviewer must code and record all of the appropriate variance(s) and explain the review findings for the error determination on Form FNS-245.

Flowchart of Steps 1-4 of the Negative Review



1360 ACCEPTABLE DOCUMENTATION. The case record may contain documents or statements that the reviewer may use as verification if the documentation is adequate and it applies to the appropriate time period.

- Examples of documents or statements that can be considered acceptable documentation are copies of official documents or reports, information on a signed application, electronic data, check stubs, receipts or full recording by a person, including the eligibility worker, who has secured information directly from public or other records.
- Acceptable documentation must clearly demonstrate ineligibility. For example, an action that has been denied for being over the gross income limit based upon earnings, must have a complete explanation including the earning figures (each week's pay, etc.) used to calculate the monthly earnings and showing the calculation/conversion.
- Documentation must be relevant to the time period under review. Outdated information (information from a time period that does not affect the current application or reapplication under review) or information that was not available at the time of the action is not appropriate documentation.

To determine whether the action and notice are valid, the reviewer must verify the element(s) of eligibility pertaining to the action recorded and the notice, depending on the circumstances of each action and the information included in the case record. Documentation in the case record must be sufficient to support the reviewer's decision on the status of the action.

The first source of documentation in a negative case record may be a written statement made by the participant. Statements made by participants that are documented in the case record need not be verified. For example, if a household has been found ineligible because of its resources and the household's application reports resources that exceed the amount allowed, the reviewer need not verify the statement with the household.

The reviewer need only verify information used to determine the validity of the decision to deny, terminate, or suspend the household and address the adequacy of the notice provided to the household.

Examples of Acceptable Documentation for Negatives		
Code	**Recorded Reason for the Action**	**Example of Acceptable Documentation**
01	Resident of an institution not authorized by FNS	Collateral contact with an official at the institution, contact with the State Agency to confirm that the institution is not authorized by FNS
02	Outside of project area or State	Household's statement, copy of notification from other State Agency
03	Ineligible striker	Household's statement, collateral contact with employer or other individuals knowledgeable of the strike
04	Ineligible non-citizen	Household's statement or documentation from other Federal agencies
05	Ineligible student	Documentation of student status, work hours, TANF, absence of documentation of an exemption
06	Ineligible boarder	Household's description of boarder status
07	Missed scheduled interview(s)	Copy of the eligibility worker's letter to the household scheduling the interview and any notices sent to the household by the eligibility worker
08	Failed to provide verification	Copy of the eligibility worker's letter to the household listing the type of SNAP related information needed and requesting that the information be provided, documentation of the absence of the requested information
09	Refusal to cooperate	Eligibility worker's notes about the refusal, household's statement, letter indicating refusal
10	Refusal to supply SSN	Eligibility worker's notes about the refusal, household's statement, letter indicating refusal

Code	Recorded Reason for the Action	Example of Acceptable Documentation
11	Gross monthly income exceeds maximum allowance	Information about how gross income was calculated, pay amounts and frequency of pay, comparison of the household's gross income to the gross income limit, the household's size
12	Net monthly income exceeds maximum allowance	Information about how net income was calculated, pay amounts and frequency of pay, comparison of the household's net income to the net income limit, the household's size
13	Exceeds resource standard	Household's statement about the type of resource and value of the resource, collateral contact or source knowledgeable about to the value of the resource
14	Transfer of resources	Household's statement/collateral contact about the type of resource, value of the resource, and date of the transfer
15	Failure to comply, without good cause, with work registration/job search requirements	State work registration workers documentation of the Household's failure and lack of documentation of any exemptions
16	Voluntary quit	Household's statement or documentation of the household's statement and lack of documentation of any exemptions
17	Failure to submit/complete required report	Eligibility worker's documentation of non-receipt of the required report and absence of the report
18	Voluntary withdrawal after certification	Household's statement or documentation of the household's statement
19	Termination/denial due to TANF termination/denial	Absence of documentation indicating that the change would have been processed as a change in lieu of a termination
20	Intentional program violation	Document that the IPV was determined.
21	Termination/denial due to Program disqualification	Disqualification letter or record of the disqualification

Code	Recorded Reason for the Action	Example of Acceptable Documentation
22	Termination/denial of household of able-bodied adult(s) whose time-limited period of SNAP eligibility has expired	Participation history or a description of how the eligibility worker determined that the household's time limit had expired
23	Failure to comply, without good cause, with SNAP work requirements	State work registration workers documentation of the household's failure and absence of participation records for workfare, E&T, etc.
24	Eligible for zero benefits	Describe household's eligibility and how benefits were calculated, attach supporting documents
25	Failure to access EBT benefits	Benefit history which indicates that the benefits were not accessed
26	Loss of contact with household	Documentation of efforts made to contact the household and lack of any evidence of contact
27	Applicant/household deceased	Record indicating the death of applicant/household
28	Not eligible for separate household status	Documentation of household's circumstances that require combined household composition with others
29	Not eligible due to status as fleeing felon, parole violation, drug conviction etc.	Documentation of status that caused ineligibility
30	Reason for denial/termination /suspension not documented	Documentation of all available evidence why the negative action may have been taken
99	Other	Documentation of circumstances of the negative action

1370 TRANSMISSION OF NEGATIVE CASE FINDINGS TO FNS, DATA CHECKING, AND CHANGING CASE FINDINGS. Once the error determination process is completed and the review decision has been made, the case findings shall be transmitted to FNS. Once a case has been transmitted/released, the protected field findings for that case may not be changed.

Chapter 14
INFORMAL RESOLUTION AND ARBITRATION

1400 INFORMAL RESOLUTION AND ARBITRATION.

1410 INFORMAL RESOLUTION. Informal resolution is a process that provides an avenue for States to dispute what they believe to be incorrect Federal findings. This is not a process of negotiation or compromise between the Federal and State agencies.

The official regional findings letter is sent electronically to the State with a read return receipt. Upon receipt of the finding States have the right to request informal resolution through phone calls, electronic email, data faxes, etc.

When contacted by the State, the FNS regional office should make every effort to explore the State's dispute of finding as quickly as possible bearing in mind that the State is held to the overall 20 day arbitration deadline.

Informal resolution must end on the earlier of:

- The date the arbitrator receives the State's request for arbitration, or
- The State's 20-day deadline for requesting arbitration for that review

If informal resolution results in a revised Federal finding the revised regional finding must be sent to the State agency via a new regional finding letter. The State agency has the right to request arbitration of the revised Federal finding; that is subject to a new 20-day time limit.

Informal resolution can be continued up to the regulatory time limit for requesting arbitration (20 days). The onset or continuance of informal resolution does not postpone the 20-day time limit for requesting arbitration. The 20-day time limit begins from the date the regional finding letter is received by the State agency. Informal resolution may continue until the disagreement is resolved, arbitration is requested, or when the 20-day limit for requesting arbitration expires, whichever is earlier.

1420 ARBITRATION. The purpose of the arbitration process is to resolve disagreements between the State agency and the FNS regional office concerning individual QC case findings and the appropriateness of actions taken to dispose of an individual case. The following are circumstances that are subject to arbitration:

- Disagree cases (where the Federal findings disagreed with the State agency's findings)

- Cases where the FNS regional office disagreed with the State agency's disposition of the cases, including disputes over whether a case is subject to review or incomplete

- Cases where the application of policy in a particular QC case impacts the difference in a disposition/finding

Established policy, and comments on or coding of procedural deficiencies that do not impact the findings/disposition are not subject to arbitration. Federal disagreements with timeliness coding, in active cases, for application processing or recertification processing do not impact the findings/disposition and are not subject to arbitration. The State may utilize the informal resolution process to resolve any differences. The decision reached by FNS in the informal resolution process will be the final determination.

Agree cases are not subject to arbitration, however can be discussed through the informal resolution process. If, as a result of informal resolution, the State and the FNS regional office decide the previously issued agree findings no longer apply (e.g., the State found new information about the case), the regional office will issue a new regional finding letter disagreeing with the State's original findings. At this point, this disagree case is subject to arbitration and the 20-day time limit for requesting arbitration restarts.

Arbitration is a one-tier process. The State agency appeals to the SNAP Quality Control Arbitrator if the State agency does not agree with the regional office findings. The decision of the QC Arbitrator is final.

Arbitration is limited to an examination of specific issues supporting the findings or disposition being challenged. However, the arbitrator cannot ignore any mathematical errors on the computation sheet that are discovered during the review of the case. The impact of the mathematical errors must be included in the final benefit calculation.

1421 Documentation. It is the responsibility of the State agency to include all the necessary documentation to support its position when submitting a case for arbitration. It is the region's responsibility to defend its finding and to provide the arbitrator with the supporting evidence for that finding.

Failure to include a single important piece of information could result in an adverse decision for either party. The documentation to support findings may include, but is not necessarily limited to:

- The region's finding and all subsequent correspondence from the FNS regional office related to the finding (i.e. all e-mail correspondence relative to the case decision.)

- A copy of the applicable worksheet(s) and related attachments

    - Actives- Form FNS-380, Form FNS-380-1, attachments to Form FNS-380
    - Negatives- FNS-245 and attachments (including related notices) to the FNS-245

- Relative State option information such as budgeting and reporting options
- The existence and provisions of all waivers applicable to the case circumstances, including the approval, implementation dates, and expiration dates
- Applicable State policies including implementation dates, e.g., pages of the State manual indicating the conversion method selected, applicable standard utility allowance(s)
- Written policy interpretations provided by FNS and the date provided to the State agency
- A clear record of all actions taken by the reviewer in completing the case
- Appropriate verification and clear, concise documentation of every aspect of the household’s circumstances, and
- Legible, complete copies of all case record material (a half cut-off copy of a court record on child support payments that is not identifiable cannot be considered by the arbitrator)

If the arbitrator needs additional information, or clarification of material presented, it is the arbitrator's prerogative to request the needed information from the relevant party.

The arbitration decision will fully explain the rationale for the final decision, addressing each point in consideration.

1422 Usual Timeframe for Requesting Arbitration.

A State agency must request arbitration within 20 calendar days of receipt of the regional findings letter. The first day of the 20-day period begins with the day after the day the State agency receives the findings.

In situations when a State agency timely disposes of a review as incomplete or not subject to review, and later completes the review. In such a situation, if the completed case is selected for Federal subsampling, the State agency has the full 20-day period to request arbitration. For each day late that a case was disposed of and the findings reported, the State agency shall have one less day to request arbitration of the case.

Example of the First Day of the 20- Day Period: The State agency receives the findings letter on June 8. June 9 is the first day of the 20-day period. If mailed, the postmark on the State agency's request will be used to determine whether a request was submitted timely.

Example of a request that is timely: The regional findings were issued to the State agency on February 27 and received by the State agency on March 1. The case is a disagree case. The State agency's request for arbitration is postmarked March 15. This case is subject to arbitration.

Example of a request that is too late for arbitration: The regional findings were issued to the State agency on March 4 and received by the State agency on March 8. The case is a disagree case. The State agency's request for arbitration is postmarked April 11. This case is not subject to arbitration as it was submitted late.

Example of a request that is timely because FNS issued a new finding letter: The regional findings were received by the State agency on March 1. The FNS regional office agreed with the State agency findings. On April 5, the State agency requested arbitration based on new information disputing its initial findings. The regional office had issued a new letter on March 20 disagreeing with the State's original findings. This case is subject to arbitration.

Example of how the usual timeframe is reduced: The review's sample month was April. The deadline for disposing the review was August 3. The State agency disposed of the review on August 5. The State agency received the Federal finding on October 6. The usual deadline for requesting arbitration would be October 26, but because the disposition was two days late, the deadline for requesting arbitration is October 24.

1423 Unusual Timeframe for Requesting Arbitration. A State agency is supposed to dispose of each review no later than 120 days after the end of the sample month. For every day that disposition is late, the State agency loses a day to request arbitration.

Example of a late request because of a late disposition: The State agency was ten days late in disposing the review. The State agency received the finding letter on November 7. The State agency requested arbitration on November 19. The case is not subject to arbitration because it was submitted late.

1430 SNAP QUALITY CONTROL ARBITRATION.

1431 General. SNAP quality control arbitration is the final level in the process of resolving differences in the disposition and findings of cases within the program. As such, when the arbitrator makes a determination, that decision is final. Due to the finality of arbitration, it is very important that the case record be complete when the case is submitted to the arbitrator.

1432 Quality Control Arbitrator. This individual must not be a QC reviewer, oversee QC reviewers, or in any way be directly involved in the validation effort.

1433 Quality Control Arbitration Procedures. The State agency will have 20 days from the date of the receipt of the regional findings letter to request arbitration of a disagree case. If the last day of the period falls on a Saturday, Sunday, or Federal or State holiday, the 20-day time frame runs to the end of the next work day.

1433.1 Requests for arbitration must be sent directly to the quality control arbitrator. The arbitrator accepts requests by regular mail, facsimile, and e-mail. Please indicate, "**SBU**" (Sensitive But Unclassified), in subject lines of e-mails and on cover pages to faxes and mailed items sent to the arbitrator.

Please use the appropriate address below based on the request method:

Mailing Address:

Ronald Gwinn
SNAP Quality Control Arbitrator
USDA- Food and Nutrition Service
Supplemental Nutrition Assistance Program
3101 Park Center Drive, 4th Floor
Alexandria, Virginia 22302

Facsimile Number:
(703) 305-2821

E-Mail Address:
Ron.Gwinn@fns.usda.gov

1433.2 The State agency must notify the appropriate FNS regional office when arbitration is being requested. A copy of the arbitration request must be sent to the Regional office.

1433.3 The arbitration request must include all appropriate documentation specified in Section 1421 of this chapter; however, additional information may be submitted after the request, provided it is submitted within the 20-day time frame.

1433.4 The arbitrator may request additional information from the State agency whenever necessary. The arbitrator will notify the State agency of the decision, explaining the rationale for the decision.

1440 HANDLING CASE FINDINGS. In determining State agency error rates, the FNS regional office will use the results of its review unless the arbitrator decides in favor of the State agency or an alternate finding. Once the arbitrator's decision has been made, the FNS regional office will make any changes necessary to the State and/or regional disposition or findings.

APPENDIX A
SNAP QC Error Threshold

The SNAP QC review process includes an error threshold (QC tolerance level) for its active frame cases. This threshold determines which cases reviewed by QC will end up in the calculation of a State's official error rate. Prior to FY 2014, the threshold required a regulatory or legislative change for the threshold amount to be adjusted. However, in 2014, an act of Congress required the FY 2014 threshold to be used as a baseline for all fiscal years moving forward. For fiscal years 2015 and thereafter, the 2014 QC tolerance level is adjusted annually by the percentage by which the Thrifty Food Plan (TFP) for the 48 contiguous States and the District of Columbia is adjusted. This appendix will be updated annually with the revised threshold amount.

Cases with a final error allotment amount *less than or equal to (≤)* the threshold are not included in the calculation of a State agency's official error rate for that fiscal year.

Cases with a final error allotment amount *greater than (>)* the threshold are included in the calculation of the State agency's official error rate for that fiscal year.

Fiscal Year	Threshold Amount
2019	**$ 37**
2018	$ 37
2017	$ 38
2016	$ 38
2015	$ 38
2014	$ 37
2013	$ 50
2012	$ 50
2010 - 2011	$ 25
2009 (6 mo only)	$ 50
2000 - part of 2009	$ 25
1979-1999	$ 5

Important notes:

- All cases determined ineligible for SNAP as a result of the final QC review, regardless of the error amount, are included in the calculation of a State's official error rate.

- All errors found during a QC review, regardless of its inclusion in the State's official error rate determination, must be cited and reported to the appropriate office(s) within the State agency that addresses SNAP overissuances, underissuances, and corrective action/improvement initiatives.

APPENDIX B
WORKSHEET FOR QUALITY CONTROL REVIEWS

Print

OMB APPROVED NO. 0584-0074
Expiration Date: 09/30/2019

U.S. DEPARTMENT OF AGRICULTURE - Food and Nutrition Service

WORKSHEET FOR QUALITY CONTROL REVIEWS

PRIVACY ACT NOTICE: This report is required under provisions of 7 CFR 275.14 (SNAP). This information is needed for the review of State performance in determining recipient eligibility. The information is used to determine State compliance and failure to report may result in a finding of non-compliance.

OMB STATEMENT: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-0074. The time required to complete this collection is estimated to average 8.9 hours per response, including the time to review instructions, search existing data sources, gather the data needed, and complete and review the information collection.

A. IDENTIFYING INFORMATION

1. LOCAL AGENCY _____
2. CASE NAME _____
3. ADDRESS _____
4. PHONE NUMBER _____
5. DIRECTIONS TO LOCATE _____

6. CASE NUMBER	
7. REVIEW NUMBER	
8. REVIEW DATE	
9. RESERVED	
10. MOST RECENT ACTION	
a. Date	
b. Type	
11. CERTIFICATION PERIOD From:	
To:	
12. PART. DURING SAMPLE MONTH	YES NO
13. REC'D EXPEDITED SERVICE	YES NO
14. CATEGORICALLY ELIGIBLE HH	YES NO
15. REVIEWER	
16. DATE ASSIGNED	
17. DATE OF CASE READING	
18. DATE OF INTERVIEW	
19. DATE COMPLETED	
20. SUPERVISOR	
21. DATE CLEARED	

B. PERSONS LIVING IN THE HOME

	NAME	BIRTH DATE	AGE	RELATIONSHIP OR SIGNIFICANCE	SOCIAL SECURITY NUMBER	SNAP RECIPIENT
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

C. SIGNIFICANT PERSONS NOT LIVING IN THE HOME

	NAME	RELATIONSHIP OR SIGNIFICANCE	SOCIAL SECURITY NUMBER	ADDRESS	PHONE NUMBER	FINANCIAL SUPPORT
11						
12						
13						
14						
15						

D. REVIEW FINDINGS

ALLOTMENT _____

☐ AMOUNT CORRECT ☐ UNDERISSUANCE

☐ OVERISSUANCE ☐ INELIGIBLE

AMOUNT IN ERROR _____

FORM FNS-380 (03-13) Previous Editions Obsolete

SBU

Electronic Form Version Designed in Adobe 10.0 Version Page 1

ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION REVIEW NO. _____

ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
110 AGE	**BASIC PROGRAM REQUIREMENTS (100)**		1 = No error 2 = Agency error 3 = Client error
111 STUDENT STATUS			1 = No error 2 = Agency error 3 = Client error
130 CITIZENSHIP AND NON-CITIZEN STATUS			1 = No error 2 = Agency error 3 = Client error
140 RESIDENCY			1 = No error 2 = Agency error 3 = Client error

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ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION REVIEW NO. _____

ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
150 HOUSEHOLD COMPOSITION			1 = No error 2 = Agency error 3 = Client error
151 RECIPIENT DISQUALIFICATION			1 = No error 2 = Agency error 3 = Client error
WORK REQUIREMENTS 160 EMPLOYMENT & TRAINING PROGRAMS			1 = No error 2 = Agency error 3 = Client error
161 TIME LIMITED PARTICIPATION			1 = No error 2 = Agency error 3 = Client error
162 WORK REGISTRATION			1 = No error 2 = Agency error 3 = Client error
163 VOLUNTARY QUIT/REDUCING WORK EFFORT			1 = No error 2 = Agency error 3 = Client error

Page 3

ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION			REVIEW NO. _____
ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
164 WORKFARE AND COMPARABLE WORKFARE			1 = No error 2 = Agency error 3 = Client error
165 EMPLOYMENT STATUS/JOB AVAILABILITY			1 = No error 2 = Agency error 3 = Client error
166 ACCEPTANCE OF EMPLOYMENT			1 = No error 2 = Agency error 3 = Client error
170 SOCIAL SECURITY NUMBER			1 = No error 2 = Agency error 3 = Client error
LIQUID RESOURCES 211 BANK ACCOUNTS OR CASH ON HAND	**RESOURCES (200)**		1 = No error 2 = Agency error 3 = Client error

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ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION REVIEW NO. _____

ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
212 NONRECURRING LUMP-SUM PAYMENTS			1 = No error 2 = Agency error 3 = Client error
213 OTHER LIQUID ASSETS			1 = No error 2 = Agency error 3 = Client error
NON-LIQUID RESOURCES 221 REAL PROPERTY			1 = No error 2 = Agency error 3 = Client error
222 VEHICLE			1 = No error 2 = Agency error 3 = Client error

Page 5

ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION			REVIEW NO. _____
ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
224 OTHER NON-LIQUID RESOURCES			1 = No error 2 = Agency error 3 = Client error
225 COMBINED RESOURCES			1 = No error 2 = Agency error 3 = Client error

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ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION REVIEW NO. _____

ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
EARNED INCOME	**INCOME (300)**		
311 WAGES AND SALARIES			1 = No error 2 = Agency error 3 = Client error
312 SELF-EMPLOYMENT			1 = No error 2 = Agency error 3 = Client error

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ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION REVIEW NO. _____

ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
314 OTHER EARNED INCOME			1 = No error 2 = Agency error 3 = Client error
EARNED INCOME DEDUCTIONS 321 EARNED INCOME DEDUCTIONS			1 = No error 2 = Agency error 3 = Client error
323 DEPENDENT CARE DEDUCTIONS			1 = No error 2 = Agency error 3 = Client error

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ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION REVIEW NO. _____

ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
UNEARNED INCOME			
331 RSDI BENEFITS			1 = No error 2 = Agency error 3 = Client error
332 VETERANS BENEFITS			1 = No error 2 = Agency error 3 = Client error
333 SSI AND/OR STATE SSI SUPPLEMENT			1 = No error 2 = Agency error 3 = Client error
334 UNEMPLOYMENT COMPENSATION			1 = No error 2 = Agency error 3 = Client error

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ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION REVIEW NO. _____

ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
335 WORKER'S COMPENSATION			1 = No error 2 = Agency error 3 = Client error
336 OTHER GOVERNMENT BENEFITS			1 = No error 2 = Agency error 3 = Client error
342 CONTRIBUTIONS			1 = No error 2 = Agency error 3 = Client error
343 DEEMED INCOME			1 = No error 2 = Agency error 3 = Client error

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ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION REVIEW NO. _____

ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
344 TANF, PA or GA			1 = No error 2 = Agency error 3 = Client error
345 EDUCATIONAL GRANTS/ SCHOLARSHIPS/LOANS			1 = No error 2 = Agency error 3 = Client error
346 OTHER UNEARNED INCOME			1 = No error 2 = Agency error 3 = Client error
350 CHILD SUPPORT PAYMENTS RECEIVED FROM ABSENT PARENT			1 = No error 2 = Agency error 3 = Client error

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ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION			REVIEW NO. _____
ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
OTHER DEDUCTIONS 361 STANDARD DEDUCTION			1 = No error 2 = Agency error 3 = Client error
363 SHELTER DEDUCTION			1 = No error 2 = Agency error 3 = Client error
364 STANDARD UTILITY ALLOWANCE			1 = No error 2 = Agency error 3 = Client error

ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION			REVIEW NO. _____
ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
365 MEDICAL DEDUCTION			1 = No error 2 = Agency error 3 = Client error
366 CHILD SUPPORT PAYMENT DEDUCTION			1 = No error 2 = Agency error 3 = Client error
371 COMBINED GROSS INCOME			1 = No error 2 = Agency error 3 = Client error
372 COMBINED NET INCOME			1 = No error 2 = Agency error 3 = Client error

Page 13

ELEMENTS OF ELIGIBILITY AND PAYMENT DETERMINATION			REVIEW NO. _____
ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE	QC ANALYSIS OF CASE RECORD (Pertinent facts, sources of verification, reliability, gaps or deficiencies)	FINDINGS OF FIELD INVESTIGATION (Facts obtained, verification and substantiation, nature of errors)	RESULTS
(1)	(2)	(3)	(4)
520 ARITHMETIC COMPUTATION			1 = No error 2 = Agency error 3 = Client error
530 TRANSITIONAL BENEFITS			1 = No error 2 = Agency error 3 = Client error
560 REPORTING SYSTEM			1 = No error 2 = Agency error 3 = Client error
810 SNAP SIMPLIFICATION PROJECT			1 = No error 2 = Agency error 3 = Client error
820 DEMONSTRATION PROJECTS			1 = No error 2 = Agency error 3 = Client error

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QUALITY CONTROL COMPUTATION SHEET

	ELIGIBILITY WORKER (1)	FINAL SAQC DETERMIN-ATION (2)	(3)	(4)	(5)
Wages, salaries, Federal workstudy minus allowable expenses, or other income from employment. (Do not count excluded income)					
Member : Source					
:					
:					
:					
1. Add Line K from Self-Employment addendum sheet (if applicable) and all earned income listed above.					
Educational grants, scholarships, or loans (except Federal workstudy)					
2. Enter monthly income received from educational grants, etc..					
3. Enter monthly tuition and mandatory fees and other allowable expenses.					
4. Subtract 3 from 2.					
5. Add lines 1 and 4.					
Unearned income (Do not count excluded income)					
:					
:					
:					
6. Total unearned income.					
Gross monthly income					
7. Add lines 5 and 6.					
8. Enter net loss from line K, if applicable.					
9. Subtract line 8 from 7. (Result is gross monthly income.)					
10. Enter appropriate gross income eligibility limit.					
Go to line 11 only if: - line 9 is less than or equal to line 10; or - household contains an elderly/disabled member; or - household is categorically eligible for SNAP Benefits.					
DEDUCTIONS: (Other than shelter)					
11. Multiply line 1 by 20% and enter result here.					
12. Subtract 11 from 9.					
13. Enter standard deduction.					
14. Subtract line 13 from 12.					
15. Enter medical costs over limit for household with elderly/disabled member.					
16. Subtract line 15 from 14.					
17. Enter dependent care costs (not to exceed authorized limit).					
18. Subtract line 17 from 16.					
19. Enter child support.					
20. Subtract line 19 from 18.					

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QUALITY CONTROL COMPUTATION SHEET

	ELIGIBILITY WORKER (1)	FINAL SAQC DETERMIN-ATION (2)	(3)	(4)	(5)
21. Enter homeless shelter deduction, if applicable.					
22. Subtract 21 from 20.					
23. If household had shelter costs, and did not receive a homeless shelter deduction divide line 22 by 2.					
SHELTER COSTS: (Use either the utility standard or the actual cost of each utility bill.)					
Rent or mortgage					
Taxes and insurance					
Total utility standard					
Telephone (Basic rate)					
Electric					
Gas					
Oil					
Water and Sewage					
Garbage and trash					
Installation of utilities					
Other					
24. Total shelter costs					
25. Enter amount from line 23.					
26. Subtract line 25 from 24 (Result equals excess shelter costs).					
27. If no elderly/disabled member, enter the maximum limit for the shelter deduction.					
NET MONTHLY INCOME					
28. Enter amount from line 20 (income after all deductions except shelter)					
29. If elderly/disabled member, enter line 26. For all other households, enter amount from line 26 or 27, whichever is less.					
30. Subtract line 29 from 28. (Result equals net monthly income.)					
31. Enter appropriate net income eligibility limit.					
Go to line 32 only if: -- Line 30 is less than or equal to line 31; OR -- all members of the HH are categorically eligible.					
ALLOTMENT LEVEL					
32. Enter Thrifty Food Plan for household size.					
33 Multiply line 30 by 30% and enter result here.					
34. Subtract line 33 from 32; (prorating or applying minimum allotment if required.)					

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QUALITY CONTROL COMPUTATION SHEET SELF-EMPLOYMENT ADDENDUM

FOR HOUSEHOLDS WITH SELF-EMPLOYMENT I INCOME: START AT STEP A AND WORK THROUGH STEP K. DO THE STEPS IN ORDER. IF A NEGATIVE NUMBER RESULTS AFTER SUBTRACTING TWO NUMBERS, INSERT ZERO, EXCEPT LINES O, J, AND K.	ELIGIBILITY WORKER (1)	FINAL SAQC DETERMIN-ATION (2)	(3)	(4)	(5)
FARM SELF-EMPLOYMENT INCOME					
HOUSEHOLD MEMBERS : SOURCE					
:					
:					
A. Total monthly gross farm self-employment income					
B. Enter monthly farm business costs					
SUBTRACT LINE B FROM LINE A, AND:					
C. If gross income exceeds costs enter figure here as not farm gain.					
D. If business costs exceed gross income, enter figure here as net farm gain.					
SELF-EMPLOYMENT INCOME OTHER THAN FARMING (Include room and board payments)					
:					
:					
:					
E. Total monthly gross self-employment income other than farming.					
F. Enter monthly farm self-employment income from line C (If Applicable)					
G. Add lines E and F. (Result is total self-employment income.)					
H. Enter monthly business cost other than farming.					
I. Subtract line H from G. (Result is net monthly self-employment income before taxes; (If Less Than O, Enter 0.)					
J. Enter net farm loss from line D (If none, enter 0)					
K. Subtract line J from I. Enter as a positive number, a negative number or 0.					

If line K shows a net gain, add to wages and salaries on line 1 and enter 0 on line 8 of the Computation Sheet.

If Line K shows a net loss, enter amount on line 8 of the Computation Sheet and make no entry for self-employed income on line 1.

INSTRUCTIONS FOR COMPLETING FORM FNS-380, THE WORKSHEET FOR SNAP PROGRAM **QUALITY CONTROL REVIEWS**

GENERAL

The standard worksheet appears in this Handbook in Appendix B. The automated worksheet may be downloaded from the USDA SNAP Quality Control homepage at the following address: http://www.fns.usda.gov/snap/qc/default.htm. The user's manual for the automated worksheet follows Form FNS-380 and the instructions for filling in the form.

Some States have designed their own worksheet for SNAP's Quality Control (QC) reviews. These States must submit for approval their designed worksheets to the FNS regional office (RO). The worksheet will be reviewed and States will then be notified of the decision.

FACESHEET – PAGE 1 (Form FNS-380)

This is page one of the Worksheet for SNAP Quality Control reviews. There are four sections:

- Section A, is for identifying information and tracking information about the QC review.
- Section B, lists persons living in the home.
- Section C, lists significant persons not living in the home.
- Section D, is a summary of the review findings.

SECTION A – IDENTIFYING INFORMATION

1. **Agency** - Enter name of local agency.
2. **Case Name** - Enter the name of the recipient by which the case is identified.
3. **Address** - Enter the complete address at which the recipient resides.
4. **Telephone Number** - Enter the telephone number at which the recipient can be reached.
5. **Directions to Locate** - Enter the directions to the address where the recipient resides. (This is particularly significant where the mailing address is a post office box number or rural route number.)
6. **Case Number** - Enter the number assigned by the local agency to identify the household that was certified.

7. **Review Number** - Enter the number assigned to the Quality Control Review.

8. **Review Date/Month** - Enter month, day, and year for which case eligibility and benefit level were reviewed.

9. **Reserved** - Leave blank.

10. **Most Recent Action: Date and Type** - Enter the effective date (month, day, and year) of the most recent certification or recertification action prior to or concurrent with the review date. This date cannot be prior to the start of the most recent certification period.

    - A ***certification*** means the first time a case has been certified or a certification action following a break in participation.

    - A ***recertification*** means the initial certification period has expired and the agency has (a) completed a reexamination of all factors of eligibility subject to change following a period of time during which the recipient has been determined eligible and (b) made a decision to continue eligibility.

11. **Certification Period** - Enter the period for which the case was certified.

12. **Participated During Sample Month** - Check (-.) the appropriate box to indicate if the household participated during the sample month.

13. **Received Expedited Service** - Check (-.) the appropriate box to indicate if the household was certified using expedited service procedures.

14. **Categorically Eligible Household** - Check (-.) the appropriate box to indicate whether the household was categorically eligible.

15. **Reviewer** - Enter the name of the QC reviewer conducting the review and/or the reviewer's identification number.

16. **Date Assigned** - Enter the month, day and year the sample case was received by the QC reviewer.

17. **Date of Case Readings** - Enter the month, day and year the QC reviewer read the local office record of the recipient.

18. **Date of Personal Interview** - Enter the month, day and year a personal interview was held with the recipient.

19. **Date Completed** - Enter the month, day and year the Quality Control

review was completed.

20. **Supervisor** - Enter the name of the QC reviewer's supervisor(s).

21. **Date Cleared** - Enter the month, day and year the review was cleared by the supervisor for statistical processing.

SECTION B – PERSONS LIVING IN THE HOME

Name - Enter the names of all persons living in the household. These would include the recipient, and both related and unrelated persons, including roomers and boarders. The first person listed should be the head of the household.

If additional space is needed, use the reverse side of the facesheet. For additional space on the automated worksheet, press enter on the button labeled "Click for more HH members".

Birth Date - Enter the birth dates of all persons listed as members of the SNAP household.

Age - Enter the age of all persons listed as members of the SNAP household.

Relationship or Significance - Enter letters to show the relationship of the household members to the head of the household such as:

- SP - spouse
- S - son
- D - daughter
- GS - grandson
- N - niece
- FR - friend, etc.

Note: If the person is not included in the SNAP household under review but is a SNAP recipient indicate the case number under which he/she is receiving SNAP benefits.

Social Security - Enter the social security number of each household member. Enter "unknown" if the number cannot be determined from the case record or field investigation. Enter "none" if it is known that the household member never had a social security number.

Recipient - Indicate whether the agency included this person in the sampled household.

SECTION C – SIGNIFICANT PERSONS NOT LIVING IN THE HOME

Name - Enter the names of all persons, including responsible relatives not residing in the household, living or dead, who are of significance to the members of the SNAP benefit household. This includes all absent parents (and alleged parents) of children in the household whether or not they are known to contribute to the person's support.

If the identity of the absent parent of a member of the household listed in Section B is unknown write "father/mother unknown" in this column and indicate the line number of the member in Section B.

Relationship or Significance - Enter the relationship of each person to the member of the household listed in Section B, and identify by line number, the individual to whom the relationship pertains.

Social Security Number - Enter the social security number (SSN), if known, of persons listed in this section.

- Enter "unknown" if the number cannot be determined from the case record or field investigation.
- Enter "none" if it is known that the person never had a SSN.

Address - Enter the address of each person listed. If the address cannot be determined either from the case record or from the field investigation enter "unknown".

Phone Number - Enter the telephone number of each person listed.

Financial Support - Check (-.) this box for any person who provided financial support to a member of the SNAP benefit household during the budget or review month.

SECTION D – REVIEW FINDINGS

This section provides a brief summary of the review findings. Enter the allotment amount authorized for the review month. (See section 232.) Check (-.) the box that corresponds to the findings of the review of the case. If an error exists, enter the amount of the error.

WORKSHEET NARRATIVE- PAGES 2 THROUGH 14 (FORM FNS-380) GENERAL

INSTRUCTIONS

Use the remaining portion of the worksheet to document each step of the independent full-field investigation and to evaluate each step in determining

eligibility and appropriate benefit level. Record the facts sufficiently to establish the basis on which the decision was made on each element.

COLUMN 1, ELEMENTS OF ELIGIBILITY AND BASIS OF ISSUANCE

Listed are a number of elements associated with eligibility and benefit level. Definitions of these elements and verification requirements are found in Chapters 8 through 11. States may add, under each area, any additional State eligibility requirements not included herein.

COLUMN 2, QC ANALYSIS OF CASE RECORD

Use this column to record documentation contained in the case record and to assist in planning for the field investigation. Enter details of recorded information that need not be reverified in this column. Note any pertinent facts; also record whether anything is questionable about the information. Identify questions that pertain to some but not all persons in the family. Indicate any of the following: conflicts in information recorded, factors subject to change, reliability of information recorded, reliability of source used, and missing information.

Use this column selectively to highlight other points to be considered when conducting the field investigation or to remind you of the case situation.

COLUMN 3, FINDINGS OF FIELD INVESTIGATION

Record the results of the field investigation. Information in this column provides the basis for completing the review findings and detailed error finding portions of the QC Review Schedule. The QC review is a review of the validity of the case at a given point in time in accordance with the provisions of Federal law, regulations, and implementing memoranda. Therefore, the entries in this column will relate to the facts of the situation affecting eligibility as of the review date even though the specific findings may or may not constitute a case error.

Answer any questions raised in Column 2 in this section. Entries such as “correct”, “verified”, and “OK” do not constitute adequate information. Document the specific sources used as verification or any attempts to verify the element for all applicable elements of eligibility and basis of issuance. Information must be provided in sufficient detail for anyone reviewing the case at a later time to clearly understand the conclusions on each element and the final conclusions on the case.

Where there are eligibility or basis of issuance variances based on circumstances as of the review date, record the date the variances first occurred.

COLUMN 4, RESULTS

Complete each element by circling one of the following to indicate the final decision:

1. = No error
2. = Agency error
3. = Client error

An agency error is defined as the failure of the agency to discharge its responsibilities in a proper and timely manner.

A client error is defined as the failure of the recipient, guardian, or authorized representative to provide correct information or to otherwise discharge his/her responsibility in a proper and timely manner.

Where both the agency and the client are responsible for the same error in an element the agency error takes precedence on the basis that the client's failure would have been negated, and no discrepancy would have existed had the agency acted proper.

COMPUTATION SHEETS – PAGES 15 THROUGH 17 (FORM FNS-380)

General Instructions

The computation sheets are to be used to document all completed active case reviews. The only exceptions are reviews of households that were ineligible for reasons other than income. Columns (1) and (2) are required to be completed, Columns (3), (4) and (5) are optional. Regardless of the use of Columns (3), (4), and (5), Columns (1) and (2) must be used as outlined below.

COLUMN 1, ELIGIBILITY WORKER

Column (1), record the figures that the eligibility worker used to compute the allotment for the sample month.

COLUMN 2, FINAL SAQC DETERMINATION

Column (2), record the final quality control determination figures based on the results of the review.

Note: If the household was ineligible because of gross or net income the reviewer may stop at the appropriate income line.

COLUMNS 3, 4, 5

Columns (3), (4), and (5) of the computation sheets are optional. They are included for the convenience of States and may be used for recording:

- Comparison I
- Comparison II
- Illustrating the impacts of individual variances
- Reflecting a retrospectively budgeted household's prospective eligibility
- Any other State identified purpose

Supplemental Nutrition Assistance Program Quality Control Automated Form FNS-380

380 Guide From SNAP QCS User's Manual

(For the full version of SNAPQCS' user's manual please go to:
https://snapqcs.fns.usda.gov
USDA E-Authentication Credentials required)

3.1 Welcome Page

To access the SNAP-QCS State system, navigate to the Production URL https://SNAPQCS.fns.usda.gov

When you enter the address, the SNAP-QCS State system Welcome page opens. The page also contains many hyperlinks on the left side of the screen including:

- USDA Privacy Policy link: Select open a Web page containing information about the USDA's official privacy policy.

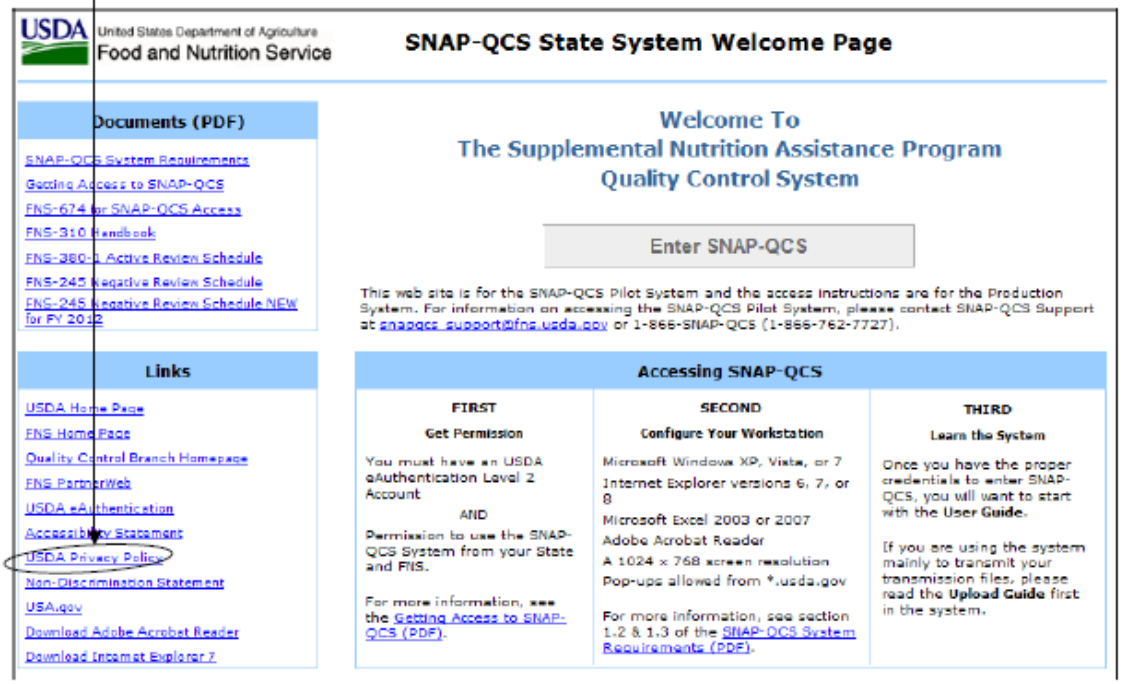


Figure 12: Welcome Page

This page contains important information about the system and about the SNAP-QC program. Notifications on this page are changed regularly.

3.1.1 Sign In

To log onto the SNAP-QCS State system, do the following:

1. Click **Enter SNAP-QCS** on the Welcome Page.

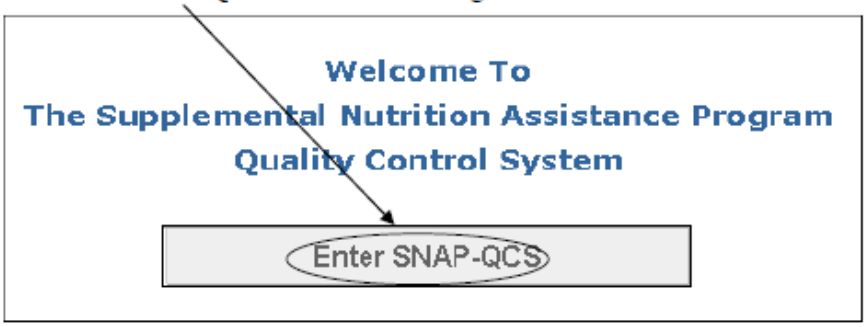
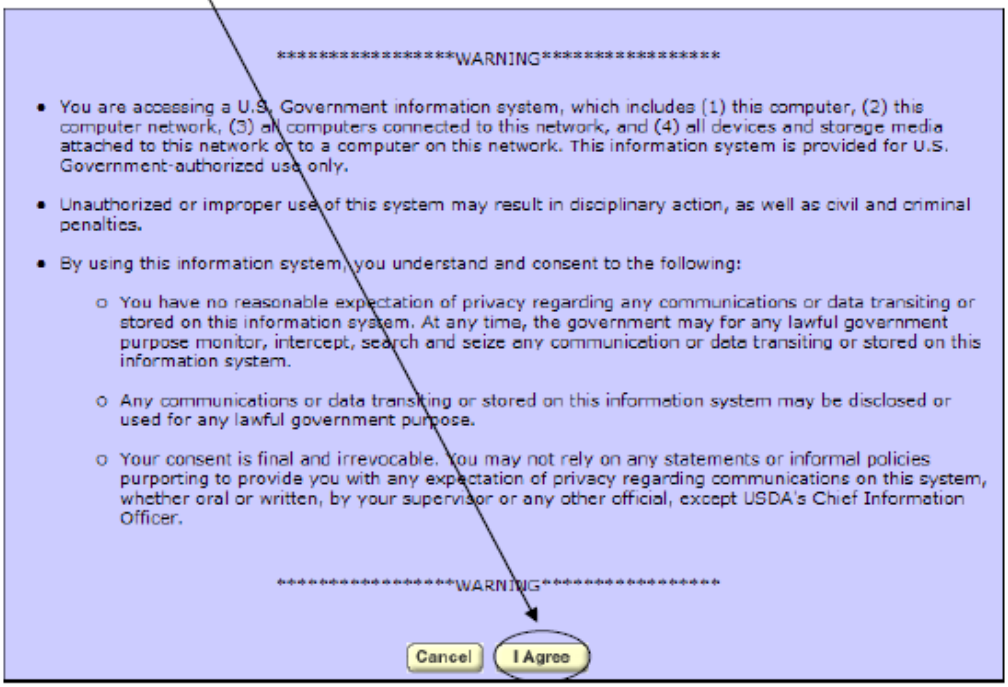


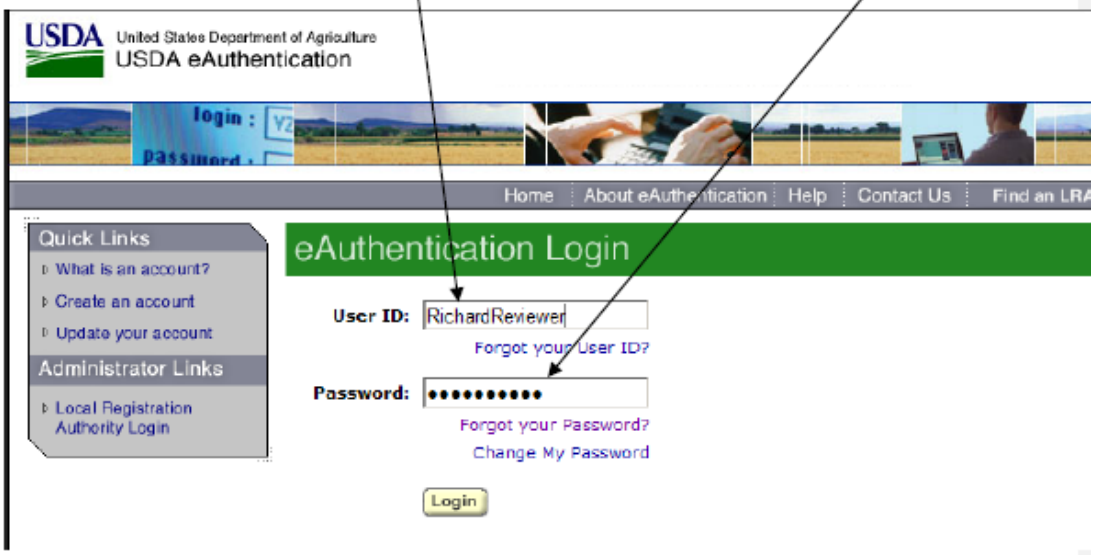
Figure 13: Sign In Page

2. Click the **I Agree** button to proceed.



2. *Result:* The eAuthentication Login page comes up.

3. Enter your eAuth user ID in the **User Id** field. 4. Enter your password in the **Password** field.



5. *Result:* The SNAP-QCS State system Home page opens (See Section 4.1, Home Page)

Note: You can also login by selecting the SNAP-QCS Log in hyperlink on the Welcome page and following steps 3 to 5 above.

3.1.2 USDA Privacy Policy

The Welcome page contains a link to the USDA Privacy Policy. Click this link to display the policy and review it before entering the system.

3.2 SNAP-QCS State System Main Menu

In this section we will focus on the Reviewer's perspective i.e. Supervisor and Managers will have to refer to Chapter 7: Supervisors and Managers.

The SNAP-QCS State system main menu is located at the top of every page in the system.

Main Menu

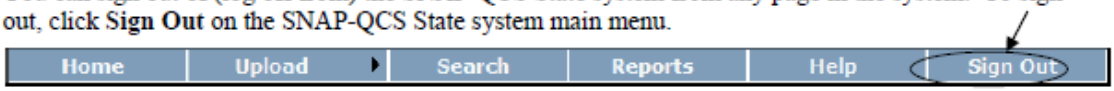
Figure 14: Reviewer Main Menu

The SNAP-QCS State system main menu contains the following commands:

- **Home**: Click to open the Home page.
- **State Upload**: From this page you can view Upload History and the Upload Guide. Depending on your permissions, you may also be able to perform the State Upload.
- **Search**: Click to open the Search page. From this page you can enter search criteria to find a specific case or list of cases. You can then access the Case Information page which allows creation and modification of the FNS 380-1 or FNS 245 forms.
- **Reports**: Click this button to access canned reports for Active and Negative cased.
- **Help**: Click to open this help documentation.
- **Sign Out**: Click to sign out of the system.

3.3 Sign Out

You can sign out of (log off from) the SNAP-QCS State system from any page in the system. To sign out, click **Sign Out** on the SNAP-QCS State system main menu.



Result: The Sign Out page opens informing you that you have successfully signed out of the system. You can return quickly by clicking **Return to SNAP-QCS** or log out of eAuth completely by selecting this Log off The eAuthentication system hyperlink.

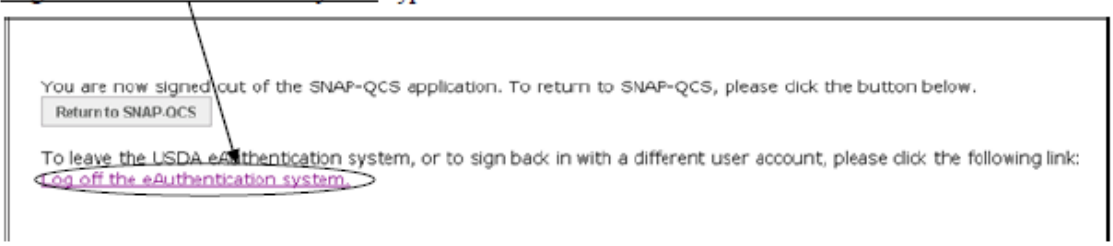
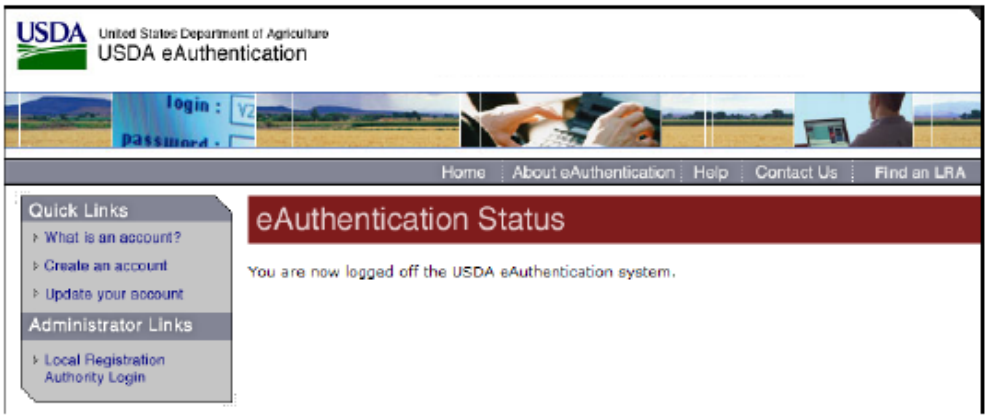
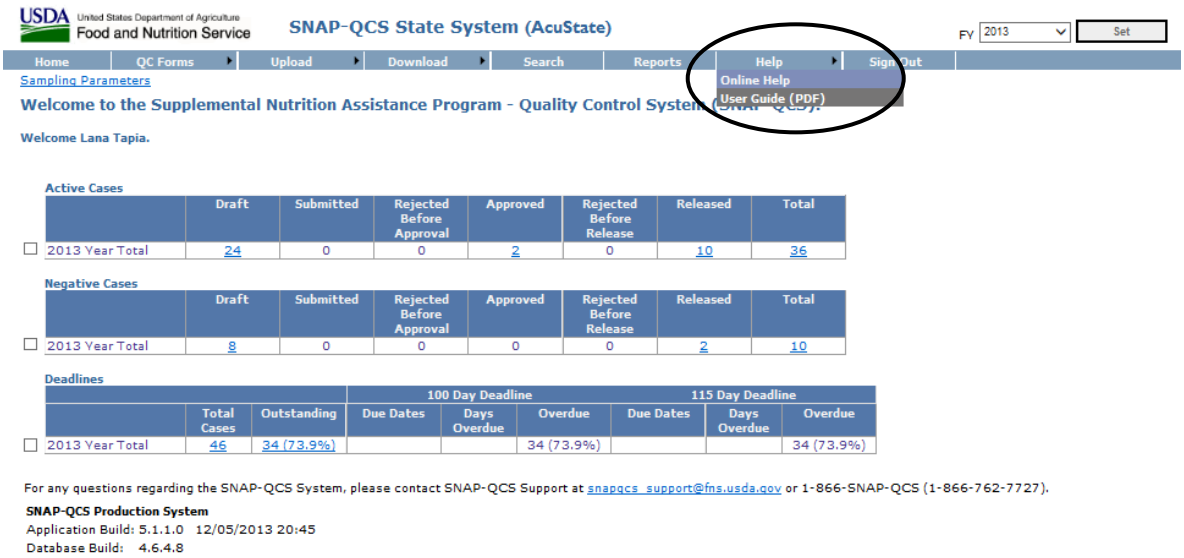


Figure 15: Sign Out Page

Result: You are completely logged off of both the SNAP-QCS State system and eAuth.



The Home Page will have the Help menu with a detailed User's Guide for using the Automated Forms FNS-380 and FNS-380-1.



Print

APPENDIX C
QUALITY CONTROL REVIEW SCHEDULE

OMB APPROVED NO. 0584-0299
Expiration Date: 07/31/2019

U.S. Department of Agriculture - Food and Nutrition Service

QUALITY CONTROL REVIEW SCHEDULE

PRIVACY ACT/PAPERWORK REDUCTION ACT. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-0299. The time required to complete this collection is estimated to average 1.056 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. This report is required under provisions of 7 CFR 275.14. This information is needed for the review of State performance in determining recipient eligibility. The information is used to determine State compliance, and failure to report may result in a finding of non-compliance.

Section 1 - Review Summary

1. QC Review Number
2. Case Number
3. State
4. Local Agency
5. Sample Month and Year
6. Stratum
7. Disposition
8. Findings
9. SNAP Allotment Under Review
10. Error Amount
11. Case Classification

Section 2 - Detailed Error Findings

	12. Element	13. Nature	14. Cause	15. Error Finding	16. Error Amount	17. Discovery	18. Verified	19. Occurrence a. Date	b. Time Period
1									
2									
3									
4									
5									
6									
7									
8									

FORM FNS-380-1 (11-12) Previous Editions Obsolete

SBU

Electronic Form Version Designed in Adobe 9.1 Version

1

Section 3 - Household Characteristics

20. Most Recent Cert. Action Month, Day, Year

21. Type of Action

22. Length of Cert. Period #of months

23. Allotment Adjustment

24. Amount of Allotment Adjustment

25. Number of Household Members

26. Receipt of Expedited Service

27. Authorized Representative Used at Application

28. Categorical Eligibility

29. Reporting Requirement

Resources:

30. Liquid

31. Property (excluding home)

32a. Vehicle

32b. Status 2nd Vehicle

33. Countable Vehicle Assets

34. Other Non-liquid

Income:

35. Gross

36. Net

Deductions:

37. Earned Income

38. Medical

39. Dependent Care

40. Child Support

41. Shelter

42. Homeless

Additional Information on Shelter Costs:

43. Rent/Mortgage

44. Use of SUA
a. Usage b. Proration

45. Utilities (SUA or Actual)

2

Section 4 - Information on Each Household Member

46. Person Number	47. SNAP Participation	48. Relation to Head of HH	49. Age	50. Sex	51. Race	52. Citizen Status	53. Edu. Level	54. Employment Status	Hours	55. SNAP Work Reg.	56. SNAP E & T	57. ABAWD Status	58. Dependent Care Cost

You may record information on up to 16 individuals using additional pages.

3

Section 5 - Income Identified by Household Member

59. Person Number	Source 1 60. Income Type	61. Amount	Source 2 62. Income Type	63. Amount	Source 3 64. Income Type	65. Amount	Source 4 66. Income Type	67. Amount

You may record income on up to 10 individuals by using additional pages.

Section 6 - Reserved Coding

68.	69.	70.	71.	72.	73.	74.	75.	76.

Section 7 - Optional For State Use

1.

2.

3.

4.

APPENDIX C
INSTRUCTIONS FOR COMPLETING FORM FNS-380-1, QUALITY CONTROL REVIEW SCHEDULE

GENERAL INFORMATION

The Quality Control Review Schedule (QCRS) is the data entry form to record the results of SNAP Quality Control reviews.

The schedule consists of seven sections:

1. Review Summary
2. Detailed Error Findings
3. Household Characteristics
4. Information on Each Household Member
5. Income Identified by Household Member
6. Reserved Coding
7. Optional For State Systems Only

All entries in the QCRS are dollar amounts, dates, or numeric codes.

Dates - Use six or eight-digit numbers as the entry requires. For example, October 3, 2003 would be coded:

1	0	0	3	2	0	0	3

The October sample month would be coded:

1	0	2	0	0	3

Dollar Amounts - Round all dollar amounts to the nearest dollar; leading zeros are not required. For example, $165.00 is entered:

	1	6	5

Not Applicable – If an item does not apply to the case reviewed, leave the applicable boxes blank:

Unknown - If an item is known to exist but the specific amount is not known, fill in all boxes for that item with 9's:

9	9	9	9

If no information is available or if the item does not apply to the household, leave the boxes blank. Do not enter zeros to indicate no information.

Stratum - States with stratified samples should submit to the FNS regional office a listing of the numeric codes utilized to identify stratum. Stratum codes are assigned by the State agency when the sample is stratified. If stratum codes are not used, leave blank or enter other identifying information at State option.

Local Agency Code – This code is used to group data by county or county equivalent or smaller areas. The system requires a three-digit code. The State may use Federal Information Processing Standards (FIPS) codes or use an alternative method to designate local agency. Once a State has selected a method, submit to the FNS regional office a listing of the local agencies and corresponding codes.

FIPS Codes – The National Institute of Standards and Technology has developed codes for classification of counties and county equivalents. These codes were devised by listing counties alphabetically and assigning sequentially odd integers; e.g., 001, 003, 005.

QUALITY CONTROL REVIEW SCHEDULE
SECTION 1 - REVIEW SUMMARY

This section records the final determination of the QC review. It is used to compute the State's payment error rate.

1. **QC Review Number** - Enter the number assigned to the Quality Control review.

2. **Case Number** - Enter the number assigned by the local agency to the household that was certified and has been reviewed.

3. **State Code -** Enter the two digit State code from the following list of codes of National Institute of Standards and Technology.

State Codes - National Institute of Standards and Technology

State	Code	State	Code
Alabama	01	Montana	30
Alaska	02	Nebraska	31
Arizona	04	Nevada	32
Arkansas	05	New Hampshire	33
California	06	New Jersey	34
Colorado	08	New Mexico	35
Connecticut	09	New York	36
Delaware	10	North Carolina	37
District of Columbia	11	North Dakota	38
Florida	12	Ohio	39
Georgia	13	Oklahoma	40
Guam	66	Oregon	41
Hawaii	15	Pennsylvania	42
Idaho	16	Rhode Island	44
Illinois	17	South Carolina	45
Indiana	18	South Dakota	46
Iowa	19	Tennessee	47
Kansas	20	Texas	48
Kentucky	21	Utah	49
Louisiana	22	Vermont	50
Maine	23	Virgin Islands	78
Maryland	24	Virginia	51
Massachusetts	25	Washington	53
Michigan	26	West Virginia	54
Minnesota	27	Wisconsin	55
Mississippi	28	Wyoming	56
Missouri	29		

4. **Local Agency Code** – Enter the three-digit code designating the local agency for this case.

5. **Sample Month and Year** - Enter the month and year for which the case eligibility and benefit level were reviewed.

6. **Stratum** - Enter the two-digit stratum codes if sampling is stratified. If not stratified enter a State optional code or leave blank.

7. Disposition - Enter one of the following codes:

1-Complete
2-Not subject to review
3-Incomplete
4-Case deselected

If codes 2, 3, or 4 are used, no further entries are required on the remainder of the review schedule **except** item 68, reserved code for Timeliness of Application Processing (Expedited and 30 Day Requirement), item 69, reserved code for QC Interview, and item 70, reserved code for Timeliness of Recertification.

8. Review Findings - Enter one of the following codes:

1-Amount correct
2-Overissuance
3-Underissuance
4-Ineligible

Enter actual finding regardless of whether it is below the error threshold. Do not complete Sections 4 and 5 if code 4, ineligible, is used.

9. SNAP Allotment Under Review - Enter the authorized amount of SNAP subject to review for the sample month.

10. Error Amount - Enter the dollar amount of any identified error. The dollar amount of the error is the difference between the benefits the State authorized and the benefits the State should have authorized regardless of the error threshold. Use the lower error amount from comparison one or comparison two.

- For overissuance or underissuance errors, enter the actual error amount whether or not it exceeds the current FY error threshold
- For ineligible errors, enter the full amount of the error

11. Case Classification - Enter one of the following codes:

1-Included in error rate calculation
2-Excluded from error rate calculation - processed by SSA worker
3-Excluded from error rate calculation, as designated by FNS (e.g. demo project, simplified SNAP)

SECTION 2 – DETAILED ERROR FINDINGS

This section provides for the detailed coding of each variance identified during the QC review. If additional lines are needed to code error findings, attach an additional page. Since the information recorded in this section is the basis for corrective actions, the accuracy of the information is important. If more than one variance is identified, the variance that the agency believes is most significant in leading to the error should be listed first.

12. Element - Enter the appropriate element number of the review for each variance identified.

13. Nature codes - Enter the appropriate code for the nature of each variance. The following provides the element and nature codes to be used in items 12 and 13.

These nature codes may be used in any element:

Nature code (97) **-** Not required to be reported or acted upon based on timeframes and reporting requirements for allotment differences below the error threshold.

Nature code (98) **-** Transcription or computation errors.

Nature code (99) – Other. Use this nature code in the following situations:

a) If no specific nature code is listed under an element
b) If the nature of the error is clearly understood by looking at the agency/client code recorded for the error, or
c) If none of the listed nature codes under an element apply to the error being recorded

BASIC PROGRAM REQUIREMENTS – (100)

➢ Element 111 - Student Status

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 130 – Citizenship and Non-Citizen Status

Nature codes: <u>Citizens</u>

6 - Eligible person(s) excluded

7 - Ineligible person(s) included
124 - Variance resulting from use of automatic Federal information exchange system

Non-Citizens

200 – Eligible non-citizen excluded
201 – Ineligible non-citizen included
124 – Variance resulting from use of automatic Federal information exchange system

➢ Element 140 - Residency

Nature codes: 99 – Other

➢ Element 150 - Household Composition

Note: Variances should be coded under this element if a person or persons are unreported or incorrectly reported, unprocessed or incorrectly processed, and these persons also have income, resources or deductible expenses, which must be considered in the error determination.
For example: the discovery of an unreported 62 year old with earned income, a bank account, and medical expenses would be recorded under Element 150 (Household Composition), not Elements 211 (Bank Accounts or Cash on Hand), 311 (Wages and Salaries), and 365 (Medical Deduction).

Variances should not be coded under this Element for persons with characteristics that are specifically addressed under other 100 Series Elements (Student Status through Social Security Number). For example: the discovery of an eligible non- citizen in the household who was improperly excluded would be coded under Element 130 (Citizenship and Non-Citizen Status), not under Element 150 (Household Composition).

Nature codes:

7 - Ineligible person(s) included
12 - Eligible person(s) with no income, resources, or deductible expenses excluded
13 - Eligible person(s) with income excluded
14 - Eligible person(s) with resources excluded
15 - Eligible person(s) with deductible expenses excluded
16 - Newborn infant improperly excluded

➢ Element 151 - Recipient Disqualification

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 160 – Employment & Training Programs

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 161 – Time-limited Participation

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 162 – Work Registration Requirements

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 163 – Voluntary Quit/Reduced Work Effort

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 164 – Workfare and Comparable Workfare

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 165 – Employment Status/Job Availability

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 166 – Acceptance of Employment

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

➢ Element 170 – Social Security Number

Nature codes:

6 - Eligible person(s) excluded
7 - Ineligible person(s) included

RESOURCES - (200)

<u>Liquid Resources</u>

➢ Element 211 – Bank Accounts or Cash on Hand

Nature codes:

24 - Resource should have been excluded
30 – Resource should have been included

➢ Element 212 – Nonrecurring Lump-sum Payment

Nature codes:

24 - Resource should have been excluded
30 – Resource should have been included

➢ Element 213 – Other Liquid Assets

Nature codes:

24 - Resource should have been excluded
30 – Resource should have been included

Non-Liquid Resources

➢ Element 221 – Real Property

Nature codes:

24 - Resource should have been excluded
30 – Resource should have been included

➢ Element 222 – Vehicles

Nature codes:

24 - Resource should have been excluded
30 – Resource should have been included

➢ Element 224 – Other Non-Liquid Resources

Nature codes:

24 - Resource should have been excluded
30 – Resource should have been included

➢ Element 225 – Combined Resources

Nature codes:

20 - Incorrect resource limit applied
29 - Exceeds prescribed limit

INCOME (300)

Earned Income

➢ Element 311 – Wages and Salaries

Nature codes:

32 - Failed to consider or incorrectly considered income of an ineligible member
35 – Unreported source of income (do not use for change in employment status)
36 – Rounding used/not used or incorrectly applied
38 – More income received from this source than budgeted

39 - Employment status changed from unemployed to employed
40 - Employment status changed from employed to unemployed
41 - Change only in amount of earnings
42 - Conversion to monthly amount not used or incorrectly applied
43 - Averaging not used or incorrectly applied
44 – Less income received from this source than budgeted
46 - Failed to consider/anticipate month with extra pay date
123 – Income incorrectly prorated

➢ Element 312 – Self-Employment

Nature codes:

32 - Failed to consider or incorrectly considered income of an ineligible member
35 – Unreported source of income (do not use for change in employment status) 36 - Rounding used/not used or incorrectly applied
38 – More income received from this source than budgeted
39 - Employment status changed from unemployed to employed
40 - Employment status changed from employed to unemployed
41 - Change only in amount of earnings
42 - Conversion to monthly amount not used or incorrectly applied
43 - Averaging not used or incorrectly applied
44 – Less income received from this source than budgeted
45 - Cost of doing business not used or incorrectly applied

➢ Element 314 – Other Earned Income

Nature codes:

32 - Failed to consider or incorrectly considered income of an ineligible member
35 – Unreported source of income (do not use for change in employment status)
36 - Rounding used/not used or incorrectly applied
38 – More income received from this source than budgeted
39 - Employment status changed from unemployed to employed
40 - Employment status changed from employed to unemployed
41 - Change only in amount of earnings
42 - Conversion to monthly amount not used or incorrectly applied
43 - Averaging not used or incorrectly applied
44 – Less income received from this source than budgeted
45 - Cost of doing business not used or incorrectly applied

Deductions

➢ Element 321 – Earned Income Deductions

Nature codes:

52 - Deduction that should have been included was not
53 - Deduction included that should not have been

➢ Element 323 – Dependent Care Deduction

Nature codes:

52 - Deduction that should have been included was not
53 - Deduction included that should not have been

Unearned Income

➢ Element 331 – RSDI Benefits

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 332 – Veterans Benefits

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 333 – SSI and/or State SSI Supplement

Nature codes:

35 - Unreported source of income

37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 334 – Unemployment Compensation

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 335 – Worker's Compensation

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 336 – Other Government Benefits

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 342 – Contributions

Note: Errors in Child Support Payments should not be recorded in this Element. See Element 350 (Child Support Payments Received from Absent Parent).

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 343 – Deemed Income

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 344 – TANF, PA, or GA

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
120 - Variance/errors resulting from noncompliance with this means-tested public assistance program
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 345 – Educational Grants/Scholarships/Loans

Nature codes:

35 - Unknown source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 346 – Other Unearned Income

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
120 - Variance/errors resulting from noncompliance with this means-tested public assistance program
124 - Variance resulting from use of automatic Federal information exchange system

➢ Element 350 – Child Support Payments Received from Absent Parent

Nature codes:

35 - Unreported source of income
37 - All income from source was known but not included
38 - More income received from this source than budgeted
44 - Less income received from this source than budgeted
111 - Child support payment(s) not considered or incorrectly applied for initial month(s) of eligibility
112 - Retained child support payment(s) not considered or incorrectly applied
124 - Variance resulting from use of automatic Federal information exchange system
127 - Pass through not considered or incorrectly applied

➢ Element 361 – Standard Deduction

Nature codes:

52 - Deduction that should have been included was not
53 - Deduction included that should not have been
65 – Incorrect standard used resulting from a change in household size

➢ Element 363 - Shelter Deduction

Nature codes:

52 - Deduction that should have been included was not
53 – Deduction included that should not have been
64 - Incorrect amount used resulting from a change in residence
123 - Incorrectly prorated

➢ Element 364 - Standard Utility Allowance

Nature codes:

52 – Deduction that should have been included was not
53 - Deduction included that should not have been
54 - Incorrect standard used (Not as a result of a change in household size or move)
64 - Incorrect amount used resulting from a change in residence
123 - Incorrectly prorated

➢ Element 365 - Medical Deductions

Nature codes:

52 - Deduction that should have been included was not
53 - Deduction included that should not have been

➢ Element 366 - Child Support Payment Deduction

Nature codes:

52 - Deduction that should have been included was not
53 - Deduction included that should not have been

➢ Element 371 - Combined Gross Income

Nature codes:

28 - Incorrect income limit applied
29 - Exceeds prescribed limit

➢ Element 372 - Combined Net Income

Nature codes:

28 - Incorrect income limit applied
29 - Exceeds prescribed limit

OTHER - (500 and 800)

➢ Element 520 - Arithmetic Computation

Nature codes:

75 - Benefit/allotment/eligibility incorrectly computed
79 – Incorrect use of allotment tables
80 - Improper proration of initial month's benefits

➢ Element 530 – Transitional Benefits

Nature codes:

75 - Benefit/allotment/eligibility incorrectly computed
77 - Household not entitled to transitional benefits
99 - Other

➢ Element 560 - Reporting Systems

Note: This element should be used to record errors resulting from the household being certified under an incorrect reporting system given the household's characteristics and the State agency's chosen options. Possible Reporting Systems include: Monthly Reporting, Quarterly Reporting, Semi-Annual Limited Reporting, Change Reporting, Status Reporting, 5 Hour Reporting and no reporting (transitional benefits).

Nature codes:

301 - Household improperly participating under retrospective budgeting
302 - Household improperly participating under prospective budgeting
303 - Household improperly participating under monthly reporting
304 - Household improperly participating under quarterly reporting
305 - Household improperly participating under semi-annual reporting
306 - Household improperly participating under change reporting
307 - Household improperly participating under status reporting
308 - Household improperly participating under 5 hour reporting
309 - Household improperly participating in transitional benefits

➢ Element 810 - SNAP Simplification Project

Nature codes:

98 - Transcription or computation errors
99 - Other

➢ Element 820 - Demonstration Projects

Nature codes:

98 - Transcription or computation errors
99 – Other

14. Cause - Enter one of the following codes to indicate the primary cause for each variance identified.

1 - Information not reported. (Client failed to report information or changes that are required to be reported. Use this code only if the State could not know this information from another source or could not have anticipated the change.)
2 - Incomplete or incorrect information provided. (Client provided information that is incorrect or incomplete and the agency was not required to verify.)
3 – Information withheld by client. (Case being referred for IPV investigation.)
4 - Incorrect information provided by client. (Case being referred for IPV investigation.)
7 - Information reported by a collateral contact inaccurate. (The agency acted upon information provided by a collateral contact, which was verified by QC to be inaccurate, i.e. the client's employer reported incorrect salary information.
8 - Acted on incorrect Federal computer match information that was not required to be verified. (This variance is excluded from the error determination but must be recorded.)
10 - Policy incorrectly applied. (The agency used the wrong policy/incorrectly applied policy when determining eligibility or processing change information.)
12 - Reported information disregarded or not applied. (The agency failed to take action on information reported by the client or information that became known through some other source, such as non-federal match information.)
14 - Agency failed to follow up on inconsistent or incomplete information. (Information provided by the household or collateral source was inconsistent with other information in the case record or incomplete but the agency failed to request verification.)
15 - Agency failed to follow up on impending changes. (The agency failed to take follow up action on a change that was anticipated, i.e. unemployment ending within the certification period, pregnancy, etc.)
16 - Agency failed to verify required information. (The agency failed to use third party information or documentation to establish the accuracy of statements on the application or change report form which are required to

be verified. If the agency is not required to verify reported information use code 2.)

17 - Computer programming error. (The agency eligibility system caused the error due to a programming related problem, i.e. an incorrect amount for standard deduction was programmed into the system, the agency authorized the use of workarounds to the computer system that resulted in an error, etc.)

18 – Data entry and/or coding error. (The agency made a data entry error when keying into the State/local agency eligibility system, includes selection of incorrect codes.)

19 – Mass Change. (The error was due to a problem with a computer generated mass change, i.e. mass change was run late or incorrectly updated the case.)

20 - Arithmetic computation. (The agency made an error in computation or transcription, which was not related to computer programming or data entry.)

21 - Computer user error. (The EW failed to use computer system properly or used an unauthorized process to work around the system.)

99 - Other. (Variance caused by the agency, which does not fall under any of the specific causes listed above.)

15. Error Finding – (Optional). This item provides a means for reviewers to identify the impact of individual variances. If only one variance is recorded for an error case, the error finding code for this item and item 8, finding, should be the same. Enter the appropriate code for each variance:

2 – Overissuance
3 – Underissuance
4 – Ineligible

16. Error Amount - (Optional) Compute and enter the dollar amount of each separate variance. If one variance is coded, then the amount in this item should be the same as the error amount in item 10. If more than one variance is coded, the agency may use the optional guidance provided in Chapter 12 or use State developed procedures for assigning dollar amounts. Some agencies find this calculation helpful as an aid in prioritizing error causes for corrective actions.

17. Discovery - Enter one of the following codes to indicate how the variance was discovered:

1 - Variance clearly identified from case record: documentation is not from an automated match
2 - Variance clearly identified from case record: documentation is from an automated match

3 - Variance discovered from recipient interview
4 - Employer (present or former)
5 - Financial institution, insurance company, or other business
6 - Landlord
7 - Government agency or public records, not automated match
8 - Government agency or public records, automated match
9 – Other

18. Verified - Enter one of the following codes to indicate how the variance was verified:

1 - From case record: verification is not from an automated match
2 - From case record: verification is from an automated match
3 - From information provided by recipient
4 - Employer (present or former)
5 - Financial institution, insurance company, or other business
6 - Landlord
7 - Government agency or public records, not automated match
8 - Government agency or public records, automated match (may not apply to tax information)
9 – Other

19. Occurrence - Complete the following for each variance:

a. Date - Enter the date (month and year) the variance occurred.
b. Time Period - Enter the appropriate code to indicate the time period during which the variance occurred.

1 - Before most recent action by agency (The most recent action would be either a certification or a recertification.)
2 - At time of most recent action by agency
3 - After the most recent action by agency
9 - Time of occurrence cannot be determined

SECTION 3 - HOUSEHOLD CHARACTERISTICS

This section collects information about the household's processing and specifics about resources, income, and deductions that were the basis of their SNAP benefits.

Some specific items come from the case record (Items 20-24, and 26-27). These items are: most recent action, type of action, length of certification period, allotment adjustment, amount of adjustment, receipt of expedited service, and authorized representative.

For all other items use information from the final QC determination.

20. Most Recent Certification Action - Enter the effective date (month, day and year) of the most recent certification or recertification action prior to or concurrent with the review date. This date cannot be prior to the start of the most recent certification period and should be in the case record.

21. Type of Action – Based on information in the case record, indicate the type of action by entering one of the following codes:

1 - Certification
2 - Recertification

Certification means the first time a case has been certified or a certification action following a break in participation.

Recertification means the initial certification period has expired and the agency has (a) completed a reexamination of all factors of eligibility subject to change following a period of time during which the recipient has been determined eligible and (b) made a decision to continue eligibility.

22. Length of Certification Period - Enter the number of months the household was certified to participate during the current certification or recertification. For households that are participating in months for which they have not been certified enter the code 98. This information should be found in the case record.

23. Allotment Adjustment – This item records whether there was any adjustment from the standard amount for the household size and income level of the household. Proration is providing less than a full month's allotment due to the date of application or receipt of verification. Other adjustments include claims recoupment, sanctions, and adjustments for failure to comply with other means tested programs. Supplements included in the allotment are not considered as allotment adjustments for this item.

Enter the code that indicates whether or not the allotment was adjusted or prorated. If more than one adjustment was made, enter the code for the adjustment with the greatest impact on the SNAP allotment. Supplements included in the allotment are not considered as allotment adjustments for this item.

1- No adjustment
2- Prorated benefit
3 - Other adjustment

24. Amount of Allotment Adjustment - Enter the amount of the allotment adjustment from the record. If more than one adjustment was

applied, enter the total amount of the difference between the allotment for the household size and income of the household and the amount the household actually received. If item 23 is coded 1, no adjustment, leave this item blank. Enter 9 if the amount of adjustment is unknown.

25. Number of Household Members - Enter the number of person(s) determined to be a part of the SNAP household and eligible to receive benefits based on the final QC determination. Include persons who should have been in the household but were not in the State's original determination. Do not include persons whose income/resources are considered but are not receiving SNAP benefits or SNAP household members who have been disqualified from the program. If the household was ineligible for benefits, enter zero.

26. Receipt of Expedited Service – Using information from the case record, enter the appropriate code for the household's entitlement to expedited service at the most recent certification in effect at the time of the sample month:

1 - Entitled to expedited service and received benefits within the Federal timeframe
2 - Entitled to expedited service but did not receive benefits within the Federal timeframe
3 - Not entitled to expedited service

27. Authorized Representative Used at Application - Enter the appropriate code using information from the case record. An authorized representative is a responsible adult designated by the household, in writing, to apply for benefits on behalf of the household. Did an authorized representative make application for the household?

1 - Yes
2 - No

28. Categorical Eligibility Status – Was the household categorically eligible for benefits based on the final QC determination?

1 - Yes
2 - No

29. Reporting Requirement - Select the code that describes the reporting system used to certify the household. If the household was certified under six- month reporting, enter code "6", simplified reporting (also called six month reporting or semiannual reporting), even if QC determined that the appropriate reporting system should have been something else.

1. $25 change reporting
2. $80 change in earned income
3. $100 change in earned income
4. Status reporting
5. 5-hour change in hours worked and expected to continue over a month
6. Simplified reporting (exceeding 130% of income poverty guidelines)
7. Quarterly reporting
8. Monthly reporting
9. Transitional benefits (no reporting requirement)
10. Other

Resources:

30. Liquid Assets – Enter the dollar value of liquid assets such as cash on hand, checking and savings accounts, money market accounts, stocks, bonds, income tax refunds using information from the final QC determination. For amounts greater than $99,998 enter the code 99998. When there is an indication that a resource type was present but that amount is unknown, enter the code 99999. If an approximate amount is known, enter that amount.

31. Real Property (Excluding Home) - Enter the dollar value of land and buildings owned, excluding the primary residence using information from the final QC determination. For amounts greater than $99,998 enter the code 99998. When there is an indication that a resource type was present but that amount is unknown, enter the code 99999. If an approximate amount is known, enter that amount.

32(a). Vehicle - Code information on up to two vehicles in items (a) and (b). Use information from the final QC determination. Vehicles should be entered in descending order based on the fair market value.

1 - No vehicles
2 - Vehicle exempt because used for producing income, as a home, to transport a physically disabled member, for long distance travel (other than commuting), or to carry fuel or water
3 - Vehicle exempt because inaccessible resource (equity value is $1,500 or less)
4 – Vehicle exempt due to categorical eligibility
5 - Vehicle excluded under State TANF standard (vehicle of non-categorically eligible household members only)
6 - Vehicle is registered and is attributable to an adult household member or is used by a person under 18 for employment or education (subject

to fair market value only)
7 - Vehicle not registered (equity test only)
8 - Vehicle is not excluded and is not included in code 6 (subject to fair market value or equity test, whichever is greater)

32(b). Status 2nd Vehicle – Use the codes 2 through 8 from 32(a).

33. Countable Vehicle Assets – Record that portion of a vehicle's value counted toward the household's resource limit using information from the final QC determination.

34. Other Non-liquid Assets – Enter the dollar value of non-liquid assets such as boats and trailers using information from the final QC determination. For amounts greater than $99,998 enter the code 99998. When there is an indication that a resource type was present but that amount is unknown, enter the code 99999. If an approximate amount is known, enter that amount.

Income:

35. Gross Countable Income - Enter the countable gross monthly income of the SNAP household before applying any deductions to the income from the final QC determination. Enter all countable income. Include prorated amounts from ineligible household members.

36. Net Countable Income - Enter the countable net monthly income from the final QC determination used to compute the amount of the SNAP allotment for the sample month after application of all appropriate deductions.

Deductions:

37. Earned Income - Enter the amount of the earned income deduction that the household was eligible to receive based on the final QC determination.

38. Medical - Enter the amount of the allowable medical expenses for elderly and disabled household members based on the final QC determination. Do not record the value of the allowable medical deduction ($35). Enter those medical expenses in excess of $35 per month.

For example, if a household was billed $100 for medical expenses, enter $65 ($100 minus the medical deduction of $35).

39. Dependent Care - Enter the total dependent care deduction to which the household was entitled based on the final QC determination.

40. Child Support - Enter the dollar value of the child support payment deduction from the final QC determination.

41. Shelter - Enter the dollar value of the shelter deduction from the final QC determination.

42. Homeless - Select the code that applies to this household based on the final QC determination.

1 - Not homeless
2 - Homeless, not receiving homeless shelter allowance
3 - Homeless, receiving homeless shelter allowance

Additional Information on Shelter Costs:

43. Rent/Mortgage - Enter the amount the household was billed for rent/mortgage from the final QC determination. Include taxes, insurance, condo fees and homeowner association fees.

44. Use of SUA – This entry has two boxes that are used to collect different information about the SUA. Do not complete 44(b) if 44(a) is coded 1.

a. Usage - Enter the code which describes usage and entitlement to the SUA based on the final QC determination:

1 - No utilities and no LIHEAA
2 - Uses actual expenses
3 - Uses higher standard based on LIHEAA
4 - Uses higher standard and does not receive LIHEAA
5 - Uses lower standard
6 – Uses phone only standard
7 – Uses individual standards
9 - Other

LIHEAA is the Low Income Home Energy Assistance Act, your State program may have another name such as Home Energy Assistance Program (HEAP)

Higher Standard is an SUA based upon receipt of heating or cooling and includes all utilities

Lower Standard is an SUA based upon all utilities but is for households who do not incur heating or cooling or receive LIHEAA.

b. Proration - Select the code that identifies whether the SUA amount was prorated (e.g. prorated among non-household members of the residence).

1 - Not prorated
2 – Prorated

45. Utilities (SUA or Actual) - This item should be completed for all cases. For households using actual utility expenses, enter the actual amount that was billed for all utilities (gas, water, phone, electric, etc.) based on the final QC determination. For households using an SUA, enter the amount of the SUA that was used, based on the final QC determination. Enter $0 if there were no utility expenses.

SECTION 4 – INFORMATION ON EACH HOUSEHOLD MEMBER

Complete the following section, using information from the final QC determination, for eligible SNAP households. Enter information on each household member, including individuals whose income and resources were considered in establishing SNAP benefit level. If the number of household members exceeds the number of lines available, attach an additional page to allow for coding detailed person-level information on all SNAP household members. You may currently enter information on up to 16 individuals on the automated system, but you may record information on all household members using the paper form. If the entire household is ineligible do not enter any information in this section.

For disqualified or ineligible SNAP household members, items 46, 47, 48, and 58, if applicable, (person number, SNAP program participation, relationship to head of household, and dependent care costs) of this section must be completed. Information on income for these members must also be recorded in Section 5. For disqualified or ineligible members, the rest of the information in this section should be completed based on information known through observation or available in the case record.

Note: Do not enter zeros in items 48, 50-52, and 54-58 (Relationship to Head of Household, Sex, Race, Citizenship Status, Employment Status, Work Registration, Employment and Training Program Status, ABAWD Status, and Dependent Care Cost).

46. Person Number - Assign and enter a number for each SNAP household member (1, 2, etc.). This will include ineligible SNAP household members whose resources and income are considered in the eligibility determination.

Use this assigned number to identify household members with income in Section 5. Code the head of the household as person 1.

47. SNAP Program Participation – For each person indicate his/her eligibility or ineligibility for participation in the SNAP (i.e., either, eligible for participation and entitled to benefits, or a reason for ineligibility. For ineligible non-citizens, whether they participate in a State funded SNAP).

1 – Eligible member of SNAP case under review and entitled to receive benefits
2 – Reserved
3 – Reserved
4 - Member is an ineligible non-citizen and is not participating in a State funded SNAP
5 - Member not paying/cooperating with Child Support agency
6 - Member is an ineligible striker
7 - Member is an ineligible student
8 - Member is disqualified for program violation
9 - Member is ineligible to participate due to disqualification for failure to meet work requirements (work registration, E&T, acceptance of employment, employment status/job availability, voluntary quit/reducing work effort, workfare/comparable and workfare)
10 - ABAWD time limit exhausted and the ABAWD is ineligible to participate due to failure to meet ABAWD work requirements, to work at least 20 hours per week, to participate at least 20 hours per week in qualifying educational training activities or to participate in workfare
11 - Fleeing felon or parole and probation violator
12 – Reserved
13 - Convicted drug felon
14 - Social Security Number disqualified
15 - SSI recipient in California.
16 - Prisoner in detention center
17 - Foster care
18 - Member is an ineligible non-citizen and is participating in a State-funded SNAP Program
99 – Unknown

48. Relationship to Head of Household - Enter the code that shows the relationship (including by marriage) of the person indicated in item 46 (person number) to the head of the household, as defined by the SNAP Program from final QC determination.

1 - Head of household
2 - Spouse
3 - Parent
4 - Daughter, stepdaughter, son, stepson

5 - Other related person (brother, sister, niece, nephew, grandchild, great-grandchild, cousin)
6 – Foster Child
7 - Unrelated person

49. Age - Enter the age (in years) from the final QC determination, of each household member. For children less than 1 year old, enter 0. For persons 98 and older enter 98. If exact age is unknown, enter the best available information.

50. Sex - Enter the appropriate code:

1 - Male
2 – Female

51. Race - Enter the race of each person living in the household.

This is to collect racial and ethnic data as required by the May 18, 2006 regulation Food Stamp Program: Civil Rights Data Collection. Under the rules, applicants are asked to voluntarily fill out ethnicity and race on their applications. Eligibility workers identify information for the applicant when they have not voluntarily filled out the information. QC reviewers are to collect only the information that has been recorded on the application.

Information Not Available

1 – The application was not found during the QC review therefore racial/ethnic data is not available
2 – Not recorded on the application for this individual

Not Hispanic or Latino

3 – American Indian or Alaska Native
4 - Asian
5 – Black or African American
6 – Native Hawaiian or other Pacific Islander
7 – White

Multiple races reported

8 – (American Indian or Alaska Native) and White
9 – Asian and White
10 – (Black or African American) and White
11 – (American Indian or Alaska Native) and (Black or African American)

12 – Respondent reported more than one race and does not fit into the above categories (code 8 through 11)

Hispanic or Latino

13 – (Hispanic or Latino) and (American Indian or Alaska Native)
14 – (Hispanic or Latino) and Asian
15 – (Hispanic or Latino) and (Black or African American)
16 – (Hispanic or Latino) and (Native Hawaiian or Other Pacific Islander)
17 – (Hispanic or Latino) and White

Multiple races reported

18 – (Hispanic or Latino) and (American Indian or Alaska Native) and White
19 – (Hispanic or Latino) and Asian and White
20 – (Hispanic or Latino) and (Black or African American) and White
21 – (Hispanic or Latino) and (American Indian or Alaska Native) and (Black or African American)
22 – (Hispanic or Latino) and Respondent reported more than one race and does not fit into the above categories (code 18 through 21)

52. Citizenship Status - Enter the appropriate code.

1 - U.S. born citizen
2 - Naturalized Citizen
3 - Legal permanent resident with 40 quarters, military service, five years legal United States residency, disability, or under 18 years of age.
4 - Reserved
5 - Person admitted as refugee, granted asylum or given a stay of deportation.
6 - Other eligible non-citizen
7 - Non-citizen legally in US who does not meet one of the above codes and who is not receiving SNAP benefits but whose income and resources must be considered in determining benefits.
8 - Other ineligible legal non-citizen (e.g. visitor, tourist, student, diplomat)
9 - Undocumented non-citizen
10 - Non-citizen, status unknown
99 - Unknown

53. Educational Level - Enter highest educational level completed for each member of the household from the final QC determination:

0 - None
1 - Grade 1
2 - Grade 2

3 - Grade 3
4 - Grade 4
5 - Grade 5
6 - Grade 6
7 - Grade 7
8 - Grade 8
9 - Grade 9
10 - Grade 10
11 - Grade 11
12 - High school diploma or GED*
13 - Post secondary education (e.g. technical education or some college)
14 - College graduate or post-graduate degree
99 - Unknown

If member attended grade 12 but did not graduate, use code 11.

54. Employment - Enter information on the current employment status of all persons based on the final QC determination.

First box: Status

1 – Not in labor force and not looking for work
2 – Unemployed and looking for work
3 – Active duty military
4 – Migrant farm laborer
5 – Non-migrant farm laborer
6 – Self-employed, farming
7 - Self-employed, non-farming
8 – Employed by other

Second box: Hours Worked

1 – Not employed
2 – 1-19 hours per week
3 – 20-29 hours per week
4 – 30-39 hours per week
5 – 40+ hours per week

55. SNAP Program Work Registration - Enter information on the current work registration status of all persons as known by the State agency based on the final QC determination:

1 - Federal exemption for disability
2 – Federal exemption for a reason other than disability
3 - Work registrant, not employment and training (E&T) participant

4 - Work registrant, voluntary E&T participant
5 - Work registrant, mandatory E&T participant

56. SNAP Program Employment and Training (E&T) Program Status - Enter information on the current E&T program status of all household members as known by the State agency based on the final QC determination:

0 – Not participating in E&T
1 – Participating in non-SNAP E&T (such as TANF)
2 – SNAP Job search or job search training
3 – SNAP E&T workfare or work experience
4 – SNAP E&T Work supplementation
5 – SNAP E&T education leading to HS diploma or GED
6 – SNAP E&T post-secondary education leading to degree or certificate
7 – SNAP E&T remedial education (including adult education and English lessons not leading to a degree)
8 – SNAP E&T vocational training
9 - Other

57. ABAWD Status - A household member must be age 18 through 49 to be an Able Bodied Adult Without Dependents (ABAWD). Enter one of the following codes from the final QC determination:

1 - Not an ABAWD
2 - ABAWD in a waived area
3 - Exempt based on 15 percent option
4 - ABAWD meeting work requirements
5 - ABAWD in 1st 3 months
6 - ABAWD in 2nd 3 months

58. Dependent Care Cost - For each child/adult with associated dependent care expenses enter the amount of the expense that the household is responsible for paying using information from the final QC determination. If the cost for more than one child/adult is combined, divide the cost evenly amongst each child/adult receiving care.

SECTION 5 – INCOME IDENTIFIED BY HOUSEHOLD MEMBER

This section collects detailed information on known income sources, by type and amount, based on the final QC determination. Information can be collected on up to four sources of income for up to ten household members. If income exists but is not attached to any specific member, assign the income to the payee. Enter all income amounts rounded to the nearest dollar.

59. Person Number – Enter the person number from Section 4 for each SNAP household member with income based on information from the final QC determination. (This number is assigned in Section 4, item 46).

Source 1

60. Income Type - (This instruction applies to items 60, 62, 64, and 66). Based on the final QC determination, identify the type of countable income as listed below for each type of income received by a SNAP household member.

Earned Income (Not Subsidized)

11 - Wages and salaries
12 - Self-employment
14 - Other earned income

Subsidized Earned Income

16 - Wage supplementation - enter earnings that are above cash assistance and/or SNAP amount.

Unearned Income

15 - Energy Assistance income
31 - RSDI benefits
32 - Veterans benefits
33 - SSI
34 - Unemployment Compensation
35 - Workmen's Compensation
36 - Other government benefits
37 – Foster care income
42 - Contribution
43 - Deemed income
44 - State general assistance or other State-funded welfare (not TANF)
45 - Educational grants/scholarships/loans
46 – Other
47 - TANF
48 - State only diversion payment
49 – Interest income
50 - Court ordered child support payments received from absent parent or responsible person
99 - Unknown

61. Amount - (This instruction applies to Items 61, 63, 65, and 67.) Enter the gross amount of countable income received by the SNAP household member for the month from the final QC determination.

Source 2

62. Income Type - Second type of income. See item 60.

63. Amount - Second amount of income. See item 61.

Source 3

64. Income Type - Third type of income. See item 60.

65. Amount - Third amount of income. See item 61.

Source 4

66. Income Type - Fourth type of income. See item 60.

67. Amount - Fourth amount of income. See item 61.

SECTION 6 - RESERVED CODING

68. Timeliness of Application Processing (Expedited and 30 Day Requirement) - This information is being collected for possible bonus payments. A determination of timeliness of application processing is to be made only for cases when a new application was filed in the current Federal Fiscal Year. If there is more than one application in the current Fiscal Year, measure timeliness for the most recent application for or prior to the sample month.

Note: Quality control only collects data for timeliness of application processing measure. Refer to policy guidance on the timeliness measure for additional information in determining whether a case was processed timely, not timely, or other as stated below.

Timeliness of application processing is measured according to Federal statutory standards. A household entitled to expedited service must be provided the opportunity to participate within 7 days. Households not entitled to expedited service must be provided the opportunity to participate by the 30th day following the date of application. A case that meets the applicable Federal processing standard is coded 1 –

timely. A case that fails to meet the applicable Federal processing standard is coded 2 – not timely.

The following cases will not be used in determining the bonus payment and should be coded 3 – Other: cases where no new application was filed in the review year, cases with only recertification applications filed (including those filed within 30 days after the certification period expired), and cases in which the new application was properly pended for incomplete verification. Cases in which a new application was improperly pended will be coded 2 – not timely.

If after a thorough review of case circumstances and records there is no documentation, application or other information to determine timeliness, the case should be coded 3. For cases with this problem, every effort should be made to determine the timeliness of the case before deciding to use the "Other" code.

Please indicate the appropriate code:

1 – Timely
2 – Not timely
3 - Other

69. QC Interview – Enter the appropriate code from the following:

1 - Telephonic personal interview with household
2 - No Interview with household - Failure or Refusal to Cooperate OR Not Subject to Review
3 - No interview with household (Ineligible determination prior to interview)
4 - Alaska – remote area - no interview or telephone interview
5 – Person interviewed in own home
6 – Person interviewed in local office
7 – Person interviewed in mutually agreed upon location
8 – Video interview – person interviewed in own home
9 - Video interview – person interviewed in local office
0 – Video interview – person interviewed in mutually agreed upon location

70. Timeliness of Recertification Processing – Use this process to review an active case in which the most recent application was a recertification. If there is more than one recertification application, measure timeliness for the most recent recertification application which is for or prior to the sample month.

Note: Quality control only collects data for timeliness of recertification processing. Refer to policy guidance on the timeliness measure for additional information in determining whether a case was processed timely or not timely as stated below.

Measure the timeliness of recertification application processing according to Federal processing standards. (*The regulations include an application for recertification as an application taken within 30 days after the certification period expired; these applications should be included for this measure and* ***not*** *the Application Processing Timeliness Measure.)* If there was no recertification processed within the last 12 months prior to the sample month, the case will not be used in the timeliness of recertification rate.

For all cases coded Agency Caused or Client Caused Not Timely, indicate the **cause** for the delay. If multiple causes are identified, indicate the cause that comes first in the list. For example, if the agency sent out the NOE late and the interview was scheduled late, the reviewer should code 11.

Indicate the appropriate code for 70:

01 – Timely

Not Timely – Agency Caused

11 - Agency failed to contact or did not contact client timely. This would include situations in which the agency failed to contact or did not contact client timely with notice of expiration (NOE), with recertification packet, to schedule interview, or to request verification.
12 - Agency lost or misfiled the verification or application for recertification. This would include any lost or misfiled application completed or otherwise.
13 - Agency failed to act on completed recertification application.

This would include any completed recertification application that a caseworker failed to act on for whatever reason.

Not Timely – Client Caused

24 - Client did not file the recertification application by the 15th of the last month of the certification period
25 - Client missed the first scheduled interview
26 - Client did not return the required verification timely
27 - Other client caused delay

30 - Benefits issued outside the certification period
40 - Not yet due for recertification
50 - No recertification within the 12 months prior to the sample month

71. Allotment Test - Enter the appropriate code that reflects which of the Allotment Tests (Comparison I or Comparison II) has been recorded in Item #10. Enter one of the following codes:

1 – Comparison I recorded, Comparison II was not needed
2 – Did Comparison II, recorded Comparison I
3 – Did Comparison II, recorded Comparison II
4 – Comparison I equaled Comparison II
5 – Case ineligible, no Comparison I or Comparison II done

SECTION 7 – OPTIONAL FOR STATE USE

There are 4 lines of spaces available to the State to code additional information.

APPENDIX D – FNS-245

FORM APPROVED OMB NO. 0584-0034
Expiration Date: 04/30/2021

U.S. DEPARTMENT OF AGRICULTURE - FOOD AND NUTRITION SERVICE

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM NEGATIVE CASE ACTION REVIEW SCHEDULE

I. CASE MANAGEMENT INFORMATION (Not to be Transmitted)

A. CASE NAME *(Last, First, MI)*

B. TELEPHONE NUMBER

C. MAILING ADDRESS

D. ACTUAL ADDRESS/DIRECTIONS TO LOCATE

E. DATE ASSIGNED — MONTH DAY YEAR

F. DATE COMPLETED/DISPOSED OF — MONTH DAY YEAR — Reviewer

G. DATE CLEARED — MONTH DAY YEAR — Supervisor

II. IDENTIFYING INFORMATION

1. REVIEW NUMBER
2. CASE NUMBER
3. STATE AND LOCAL AGENCY CODE
4. SAMPLE MONTH AND YEAR
5. STRATUM
6. NOTICE DATE — MONTH DAY YEAR
7. ACTION DATE — MONTH DAY YEAR
8. ACTION TYPE
9. CASE CLASSIFICATION

III. ANALYSIS OF REVIEW ACTIVITY

10. DISPOSITION OF REVIEW — a) Disposition b) NSTR Reason
11. FINDING
12. CASE RECORD REVIEW — a) Recorded Reason for Action b) Accuracy of Recorded Reason
13. NOTICE REQUIREMENT
14. HOUSEHOLD NOTICE — a) Required Language b) Notice Specific, Clear, Understandable c) Reason to HH d) Accuracy of Reason to HH
15. PROCEDURAL REQUIREMENTS — a) Notice of Missed Interview b) Request for Contact c) Request for Verification d) Periodic Report
16. TIMELINESS OF ACTION — a) Timeliness of Action b) Number of Days Action Early/Late c) Timeliness of Notice d) Number of Days Notice Late

IV. DESCRIPTION OF VARIANCES

17. ELEMENT CODE — 1. 2. 3.
18. NATURE CODE — 1. 2. 3.

RESERVED CODING

19. COLLATERAL/HOUSEHOLD CONTACT
20. ACTION INITIATED BY
RESERVED FOR FUTURE USE

OPTIONAL (STATE SYSTEMS ONLY)

V. EXPLANATION OF REVIEW FINDINGS

FORM FNS-245 (01/14) Previous Editions Obsolete **SBU** Electronic Form Version Designed in Adobe 10.0 Version

EXPLANATION OF REVIEW FINDINGS CONTINUED:

PRIVACY ACT STATEMENT

This report is required under provisions of 7 CFR 275.14 (The Supplemental Nutrition Assistance Program). This information is needed for the review of State performance in determining the eligibility of applicants and recipients. The information is used to determine State compliance, and failure to report may result in a finding of non-compliance.

OMB PAPERWORK COLLECTION STATEMENT

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-0034. The time required to complete this information collection is estimated to average 2.9406 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

APPENDIX D

INSTRUCTIONS FOR COMPLETING FORM FNS-245, SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) CASE AND PROCEDRUAL QUALITY CONTROL REVIEW SCHEDULE

GENERAL INSTRUCTIONS

The CAPER Case Action Review Schedule was developed to serve as the data entry and review form for CAPER action reviews. It is to be used as both a worksheet and the review schedule. The schedule consists of five sections as follows:

I - Case Management Information
II - Identifying Information
III - Analysis of Review Activity
IV - Description of Variances
V - Explanation of Review Findings

SECTION I - CASE MANAGEMENT INFORMATION

This section provides case management information and household identity.

A. Case Name - Enter the name of the applicant or recipient whose household's participation was denied, terminated or suspended.

B. Telephone Number - Enter the telephone number of the household.

C. Mailing Address - Enter the mailing address of the household.

D. Actual Address/Directions to Locate - Enter the actual address at which the household resides, if different from the mailing address.

E. Date Assigned - Enter the month, day, and year (MM DD YYYY) the review was assigned to the QC reviewer.

F. Date Complete/Disposed of - Enter the month, day, and year (MM DD YYYY) the review was finalized; the reviewer's name/ID entry indicates who did the review.

G. Date Cleared - Enter the month, day, and year (MM DD YYYY) the supervisor cleared the review; the supervisor's name/ID entry indicates completeness and approval of the review.

SECTION II - IDENTIFYING INFORMATION

This section provides identifying information related to the action under review. For all actions, fill in 1 through 9.

1. Review Number - Enter the number assigned to the action under review.

2. Case Number - Enter the case number assigned by the State agency.

3. State and Local Agency Code:

- **State Agency Code -** In the first two blocks, enter your two-digit State code. These are the codes used by the National Institute of Standards and Technology.

- **Local Agency Code -** In the last three blocks, enter the same three-digit code that the State agency uses to code local agencies for the QC review of active cases.

4. Sample Month and Year – Enter the month and year for which the action was selected for review. The sample month for a action is based upon how the case was selected for review. State agencies must identify for the reviewer how cases are sampled so that the appropriate sample month and year are entered. Each State agency has an FNS approved sample plan.

5. Stratum - Enter the two-digit stratum code. Stratum codes are assigned by the State agency when the sample is stratified. If stratum codes are not used by the State, other information may be entered here as a State option.

6. Notice Date - Enter the month, day and year (MM DD YYYY) the notice was sent for the action selected for review. If no notice was sent, enter nines.

7. Action Date - Enter the month, day and year (MM DD YYYY) the action was taken by the State agency for the action selected for review.

8. Action Type - Enter the action taken by the State agency using the appropriate code as follows:

1 - Denial of SNAP application
2 - Termination of SNAP benefits
3 - Suspension of SNAP benefits

9. Case Classification - Enter the appropriate code as follows:

1 - Included in error rate calculation.
2 - Excluded from error rate calculation, processed by SSA worker.
3 - Excluded from error rate calculation, as designated by FNS (e.g. demo project).

SECTION III - ANALYSIS OF REVIEW ACTIVITY

This section provides information regarding the action taken and the analysis of the review of the action to deny a SNAP application, terminate SNAP benefits or suspend SNAP participation. For completed cases, fill in 10 through 20. For cases that are not subject to review fill in 10(a) and 10(b).

10. Disposition of Review

(a) Disposition - Enter the appropriate code that reflects the disposition of the review.

1 - Review completed.
2 - Not Subject to Review/Listed in Error. Cases that are not subject to review are defined in Chapter 13 of the FNS Handbook 310. 10(b) is required. 11-20 are not required.
3 - Incomplete/Review Not Processed. Prior FNS approval is required for use of this code.
4 - Case deselected/correction for oversampling. No further codes are required.

(b) NSTR Reason - Enter the code that accurately reflects the reason this action has been determined to be Not Subject To Review.

01 - Households that have withdrawn an application prior to the agency's determination.
02 - Households that at the time of sampling are under active investigation for intentional program violation (IPV).
03 - Households that at the time of sampling are scheduled for an IPV investigation sometime during the next five months.
04 - Households that at the time of sampling are pending an IPV hearing.
05 - Households that have their SNAP case closed when their assigned certification period ends, i.e., the household is not recertified. The certification period closure itself is NSTR. (If the household applied for recertification and, for whatever reason, the recertification application was denied, that denial is subject to review).
06 - Actions removed from the sample as a result of a correction for oversampling.
07 - Households that have been sent a notice of pending status but were

not actually denied participation.

08 - Actions listed in error. This category of actions includes administrative actions necessitated by a State agency's certification system and/or procedures, where there is no intent to deny or terminate a household's program benefits, only to correct an administrative fault in the action.

09 - Households denied SNAP benefits under a disaster certification authorized by FNS.

10 - Actions terminated or suspended for failure to file a complete monthly report by the extended filing date, but reinstated when subsequently filed the complete report before the end of the issuance month, and received the full months' SNAP benefits.

11 - Households that experience a break in participation due to computer malfunction or error that is not the result of a deliberate action by the State agency to terminate benefits. (Use of this code requires prior approval from FNS)

12 - A suspended action after the initial month of a multi-month suspension

11. Finding - Final Analysis of the QC Review of the Action - Enter the appropriate code to identify if 1) the action taken was appropriate; *and* 2) the reason for the action was correct; *and* 3) the household was notified on a clear, correct, complete notice with the correct reason for the action.

1 - Valid indicates that all three components were correct.

2 - Invalid indicates that one or more of the three components were incorrect. For example if 12(b)=2 then the case must be coded invalid.

12. Case Record Review

(a) Recorded Reason for Action- Enter the appropriate code to indicate the reason the action was taken by the State agency as reflected by the entire case record. This is not necessarily the reason stated on the notice to the household.

01 - Resident of an institution not authorized by FNS
02 - Outside of project area or State
03 - Ineligible striker
04 - Ineligible noncitizen
05 - Ineligible student
06 - Ineligible boarder
07 - Missed scheduled interview(s)
08 - Failed to provide verification
09 - Refusal to cooperate
10 - Refusal to supply SSN
11 - Gross monthly income exceeds maximum allowance
12 - Net Monthly income exceeds maximum allowance
13 - Exceeds resource standard
14 - Transfer of resources
15 - Failure to comply, without good cause, with work registration/job search requirements
16 - Voluntary quit
17 - Failure to submit/complete report
18 - Voluntary withdrawal after certification
19 - Termination/denial due to TANF termination/denial
20 - Intentional program violation
21 - Termination/denial due to program disqualification
22 - Termination/denial of household of able bodied adult(s) whose time limited period of SNAP eligibility has expired
23 - Failure to comply, without good cause, with SNAP work requirements
24 - Eligible for zero benefits
25 - Failure to access EBT benefits
26 - Loss of contact with household
27 - Applicant/household deceased
28 - Not eligible for separate household status
29 - Not eligible due to status as fleeing felon, parole violation, drug conviction etc.
30 - Reason for denial/termination/suspension not documented
31 – Household received benefits in another SNAP household for same time period
32 - Household received benefits in another state for the same time period

33 – Household received tribal commodities and is not eligible to receive SNAP benefits
99 – Other
00 – Cannot be determined

(b) Accuracy of Recorded Reason – Enter the appropriate code to indicate whether the recorded reason for the agency's action was in accordance with policy and supported by the information in the case record.

1 - Accurate. The information in the case record supports the reason given for the agency's action.
2 - Inaccurate. The information in the case record does not support the reason given for the agency's action.
3 – Insufficient information. There is not enough information in the case record to determine the accuracy of the recorded reason for action.

13. Notice Requirements - Enter the appropriate code to indicate if the notice of denial, termination or suspension was required to be sent and if the notice was sent.

1 - Notice was required and sent.
2 - Notice was required and not sent.
3 - No requirement to issue a notice on this action and did send notice.
4 – No requirement to issue a notice on this action and did not send.

14. Household Notice

(a) Required Language on the Notice of Adverse Action/Denial – Enter the code that reflects if the notice contains all required language as specified by the Food and Nutrition Act of 2008, Federal regulations, and FNS policy memos.

1 – All Required Language/Information Included
2 – All Required Language/Information Not Included
3 – No notice sent to household

(b) Notice Specific, Clear, and Understandable - Enter the appropriate code regarding the notice to the household. The notice must be specific regarding the reason for the action; the explanation of the action must be clearly understandable. This measure is not to evaluate the validity of the reason; it is to evaluate the clarity of the notice.

1 - Yes, the reason for the action stated on the notice is specific, the notice is clear *and* the notice is understandable for the action.
2 - No, either the reason for the action stated on the notice is not specific, or the notice is not clear or the notice is not understandable for the action; or any combination of the three. A detailed and thorough explanation is required in Section V.
3 - No notice sent to household.

(c) Reason to HH Enter the appropriate code to indicate the reason for the action as written on the notice.

01 - Resident of an institution not authorized by FNS
02 - Outside of project area or State
03 - Ineligible striker
04 - Ineligible noncitizen
05 - Ineligible student
06 - Ineligible boarder
07 - Missed scheduled interview(s)
08 - Failed to provide verification
09 - Refusal to cooperate
10 - Refusal to supply SSN
11 - Gross monthly income exceeds maximum allowance
12 - Net Monthly income exceeds maximum allowance
13 - Exceeds resource standard
14 - Transfer of resources
15 - Failure to comply, without good cause, with work registration/job search requirements
16 - Voluntary quit
17 - Failure to submit/complete report
18 - Voluntary withdrawal after certification
19 - Termination/denial due to TANF termination/denial
20 - Intentional program violation
21 - Termination/denial due to program disqualification
22 - Termination/denial of household of able bodied adult(s) whose time limited period of SNAP eligibility has expired
23 - Failure to comply, without good cause, with SNAP work requirements
24 - Eligible for zero benefits
25 - Failure to access EBT benefits

26 - Loss of contact with household
27 - Applicant/household deceased
28 - Not eligible for separate household status
29 - Not eligible due to status as fleeing felon, parole violation, drug conviction etc.
30 - Reason for denial/termination/suspension not documented
31 – Household received benefits in another SNAP household for same time period
32 – Household received benefits in another state for the same time period
33 – Household received tribal commodities and is not eligible to receive SNAP benefits
99 - Other
00 - No notice sent to household

(d) Accuracy of Reason on Notice to Household - Enter the appropriate code to indicate if the reason on the notice to the household was in accordance with policy and supported by the information in the case record and if the reason matches 12(a), the recorded reason for the action.

11 – Accurate, matches recorded reason.
12 – Accurate, does not match recorded reason.
21 – Inaccurate, matches recorded reason.
22 – Inaccurate, does not match recorded reason.
00 - No notice sent to household.

15. Procedural Requirements – This section must be filled out for all completed reviews.

(a) Notice of Missed Interview – NOMI

1 – Required and completed correctly
2 - Required and not completed correctly
3 - Not required

(b) Request for Contact

1 – Required and completed correctly
2 - Required and not completed correctly
3 - Not required

(c) Request for Verification

1 – Required and completed correctly
2 - Required and not completed correctly
3 - Not required

(d) Periodic Report

1 – Required and sent to household
2 - Required and not sent to household
3 - Not required

16. Timeliness of the Action

(a) Timeliness of Action – Enter the appropriate code to identify if the action was taken within the appropriate timeframes.

1 - Action taken timely
2 - Action taken too early
3 - Action taken late

(b) Number of Days Action Early/Late – If the Action was taken early or late, enter the number of days early or late. Enter 99 for 99+ days late.

(c) Timeliness of Notice - Enter the appropriate code to identify if the notice was sent within the appropriate timeframes.

1 – Notice sent timely
2 - Notice sent late
3 – No notice sent

(d) Number of Days Notice Late – If the Notice was sent late, enter the number of days late. Enter 99 for 99+ days late.

SECTION IV DESCRIPTION OF VARIANCES

This section provides for the description of variances identified in the review. Items 17 and 18 must be completed whenever the final determination for 11 is invalid (code 2).

17. Element - Enter the appropriate three digit element number of the review for each variance identified.

18. Nature Codes - Enter the appropriate three digit code for the nature of the identified variance(s). Possible nature codes for the specific Element are listed below the Element code and title. The nature codes may be used in any element.

BASIC PROGRAM REQUIREMENTS – (100)

➢ Element 111 - Student Status

Nature codes:

001 - Eligible person(s) excluded
002 - Ineligible person(s) included
003 - Agency failed to follow up on inconsistent or incomplete information
014 - Eligible student incorrect income
015 - Eligible student incorrect student deductions
019 - Eligible student was denied for failing to verify student status which was previously verified
044 - Failed to consider or incorrectly considered Eligible Student status
096 - Policy incorrectly applied
131 - Eligible student excluded and met exemption - 17 and younger / 50 and older
132 - Eligible student excluded and met exemption - Enrollment as part of Job
133 - Eligible student excluded and met exemption – On-the-job training
134 - Eligible student excluded and met exemption - Employment requirements met
135 - Eligible student excluded and met exemption - Physically or mentally unfit
136 - Eligible student excluded and met exemption - Receiving TANF
137 - Eligible student excluded and met exemption - Responsible for care of child under 6
138 - Eligible student excluded and met exemption - Single parent, child under 12, enrolled full time
139 - Eligible student excluded and met exemption - State or Federal Work Study

➢ Element 130 - Citizenship and Non-Citizen Status

Nature codes:

001 - Eligible person(s) excluded
002 - Ineligible person(s) included
003 - Agency failed to follow up on inconsistent or incomplete information
096 - Policy incorrectly applied
140 - Eligible qualified alien excluded – Amerasians
141 - Eligible qualified alien excluded - Asylees or Deportation Withheld
142 - Eligible qualified alien excluded - Certain American Indians born Abroad
143 - Eligible qualified alien excluded - Children under 18
144 - Eligible qualified alien excluded - Cuban or Haitian Entrant
145 - Eligible qualified alien excluded - Elderly lawfully residing in U.S. age 65 or older on August 22, 1996
146 - Eligible qualified alien excluded - Hmong or Highland Laotian tribal members
147 - Eligible qualified alien excluded - Individuals receiving benefits for blindness or disability

148 - Eligible qualified alien excluded - Iraqi or Afghan Special Immigrants
149 - Eligible qualified alien excluded - LPR with 40 qualifying quarters of work
150 - Eligible qualified alien excluded - LPR with living in US 5 years
151 - Eligible qualified alien excluded - military connection
152 - Eligible qualified alien excluded – Refugee
153 - Eligible qualified alien excluded - Victims of Severe Trafficking

➢ Element 140 - Residency

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
088 - Improper denial or termination, not out of the project area
096 - Policy incorrectly applied
099 - Other
154 - Improper denial - Homeless household denied for failing to provide address

➢ Element 150 - Household Composition

Nature codes:

002 - Ineligible person(s) included
003 - Agency failed to follow up on inconsistent or incomplete information
006 - Entitled to separate status
007 - Eligible person(s) with no income, resources, or deductible expenses excluded
008 - Eligible person(s) with income excluded
009 - Eligible person(s) with resources excluded
010 - Eligible person(s) with deductible expenses excluded
011 - Newborn infant improperly excluded
096 - Policy incorrectly applied

➢ Element 151 - Recipient Disqualification

Nature codes:

002 - Ineligible person(s) included
018 - Eligible person(s) disqualified
096 - Policy incorrectly applied

➢ Element 160 - Employment & Training Programs

Nature codes:

004 - Agency failed to follow up on known and reported impending changes
018 - Eligible person(s) disqualified
054 - Failure to cooperate with work program when not required to register for work program
060 - Household not notified of requirement to register with work program

096 - Policy incorrectly applied
155 - Individual inappropriately sanctioned

➢ Element 161 - Time-limited participation

Nature codes:

004 - Agency failed to follow up on known and reported impending changes
018 - Eligible person(s) disqualified
096 - Policy incorrectly applied
156 - Improper denial - met ABAWD exemption
157 - Months incorrectly calculated

➢ Element 162 - Work Registration Requirements

Nature codes:

001 - Eligible person(s) excluded
002 - Ineligible person(s) included
004 - Agency failed to follow up on known and reported impending changes
096 - Policy incorrectly applied
158 - Eligible person(s) excluded - exempt from work requirements - care for dependent under age 6 or incapacitated person
159 - Eligible person(s) excluded - exempt from work requirements - due to age
160 - Eligible person(s) excluded - exempt from work requirements - employed
161 - Eligible person(s) excluded - exempt from work requirements - participation in drug addiction or alcohol treatment program
162 - Eligible person(s) excluded - exempt from work requirements - physically or mentally unfit
163 - Eligible person(s) excluded - exempt from work requirements - received or applied for unemployment compensation
164 - Eligible person(s) excluded - exempt from work requirements - student enrolled at least half time
165 - Eligible person(s) excluded - exempt from work requirements - subject to and in compliance with TANF work requirements

➢ Element 163 - Voluntary Quit/Reduced Work Effort

Nature codes:

016 - Head of household did not voluntarily quit
017 - Voluntary quit of non-head of household
096 - Policy incorrectly applied
166 - Improper Sanction - entire household sanction for non-head of household voluntarily quit
167 - Household member met good cause

➢ Element 164 - Workfare and Comparable Workfare

Nature codes:

018 - Eligible person(s) disqualified
096 - Policy incorrectly applied
155 - Individual inappropriately sanctioned

➢ Element 165 - Employment Status/Job Availability

Nature codes:

004 - Agency failed to follow up on known and reported impending changes
018 - Eligible person(s) disqualified
096 - Policy incorrectly applied

➢ Element 166 - Acceptance of Employment

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
018 - Eligible person(s) disqualified
096 - Policy incorrectly applied

➢ Element 170 - Social Security Number

Nature codes:

018 - Eligible person(s) disqualified
020 - Good cause for failure/refusal
021 - Social Security Numbers provided
096 - Policy incorrectly applied

RESOURCES – (200)

Liquid Resources

➢ Element 211 - Bank Accounts or Cash on Hand

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
024 - Resource should have been excluded
031 - Incorrect limit applied
074 - Improper denial - resource counted as income
096 - Policy incorrectly applied

➢ Element 212 - Nonrecurring Lump-sum Payment

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
024 - Resource should have been excluded
031 - Incorrect limit applied
074 - Improper denial - resource counted as income
096 - Policy incorrectly applied

➢ Element 213 - Other Liquid Assets

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
024 - Resource should have been excluded
031 - Incorrect limit applied
074 - Improper denial - resource counted as income
096 - Policy incorrectly applied

Non-Liquid Resources

➢ Element 221 - Real Property

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
024 - Resource should have been excluded
027 - Used for self-employment
028 - Fair market value incorrect
029 - Equity value incorrect
031 - Incorrect limit applied
074 - Improper denial - resource counted as income
096 - Policy incorrectly applied

➢ Element 222 - Vehicles

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
024 - Resource should have been excluded
027 - Used for self-employment
028 - Fair market value incorrect
029 - Equity value incorrect
031 - Incorrect limit applied

074 - Improper denial - resource counted as income
096 - Policy incorrectly applied

➢ Element 224 - Other Non-Liquid Resources

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
024 - Resource should have been excluded
027 - Used for self-employment
028 - Fair market value incorrect
029 - Equity value incorrect
031 - Incorrect limit applied
074 - Improper denial - resource counted as income
096 - Policy incorrectly applied

➢ Element 225 - Combined Resources

Nature codes:

022 - Did not transfer resources
023 - Did not exceed limit
025 - Incorrectly applied resources of non-citizen sponsor
026 - Included resources of a non-household member
030 - Does not exceed prescribed limit
031 - Incorrect limit applied
096 - Policy incorrectly applied
097 - Resource counted as income

INCOME (300)

Earned Income

➢ Element 311 - Wages and Salaries

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
032 - Failed to consider or incorrectly considered income of an ineligible member
033 - Rounding used/not used or incorrectly applied
034 - Income from known/processed source included that should not have been
035 - Household unemployed
036 - Conversion to monthly amount not used or incorrectly applied
037 - Averaging not used or incorrectly applied
038 - MRRB household not temporarily over the limit

039 - Employment status changed from unemployed to employed
041 - Change only in amount of earnings
042 - Failed to consider/anticipate month with extra pay date
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied
168 - Improper income calculation
169 - Improper calculation - Income included holiday or overtime pay
170 - Improper calculation - Income averaged incorrectly

➢ Element 312 - Self-Employment

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
032 - Failed to consider or incorrectly considered income of an ineligible member
033 - Rounding used/not used or incorrectly applied
034 - Income from known/processed source included that should not have been
035 - Household unemployed
036 - Conversion to monthly amount not used or incorrectly applied
037 - Averaging not used or incorrectly applied
038 - MRRB household not temporarily over the limit
039 - Employment status changed from unemployed to employed
041 - Change only in amount of earnings
042 - Failed to consider/anticipate month with extra pay date
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied
168 - Improper income calculation
170 - Improper calculation - Income averaged incorrectly
171 - Income is Self-Employment income - not identified as Self-Employment

➢ Element 313 - Other Earned Income

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
032 - Failed to consider or incorrectly considered income of an ineligible member
033 - Rounding used/not used or incorrectly applied
034 - Income from known/processed source included that should not have been
035 - Household unemployed
036 - Conversion to monthly amount not used or incorrectly applied
037 - Averaging not used or incorrectly applied
038 - MRRB household not temporarily over the limit
039 - Employment status changed from unemployed to employed
041 - Change only in amount of earnings
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

Deductions

➢ Element 321 - Earned Income Deductions

Nature codes:

043 - Deduction that should have been included was not
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied
125 - Deduction applied to earnings after child support exclusion

➢ Element 323 - Dependent Care Deduction

Nature codes:

043 - Deduction that should have been included was not
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

Unearned Income

➢ Element 331 - RSDI Benefits

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 332 - Veterans Benefits

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 333 - SSI and/or State SSI Supplement

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 334 - Unemployment Compensation

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 335 - Worker's Compensation

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 336 – Other Government Benefits

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 342 – Contributions

Errors in Child Support Payments should not be recorded in this Element. See Element 350.

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information

004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 343 - Deemed Income

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 344 - TANF, PA OR GA

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 345 - Educational Grants/Scholarships/Loans

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046- Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 346 - Other Unearned Income

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied

➢ Element 350 - Child Support Payments Received from Absent Parent

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
034 - Income from known/processed source included that should not have been
046 - Failed to consider or incorrectly considered reported information
096 - Policy incorrectly applied
111 - Child support payments(s) not considered or incorrectly applied for initial month(s) of eligibility
112 - Retained child support payment(s) not considered or incorrectly applied
127 - Pass through not considered or incorrectly applied
170 - Improper calculation - Income averaged incorrectly

Other Deductions

➢ Element 361 - Standard Deduction

Nature codes:

043 - Deduction that should have been included was not
096 - Policy incorrectly applied

➢ Element 363 - Shelter Deduction

Nature codes:

043 - Deduction that should have been included was not
047 - Failed to consider or incorrectly considered Shelter deductions
051 - Incorrect amount used resulting from a change in residence
053 - Incorrectly prorated
096 - Policy incorrectly applied

➢ Element 364 - Standard Utility Allowance (SUA)

Nature codes:

043 - Deduction that should have been included was not
048 - Failed to consider or incorrectly considered SUA deductions
050 - Incorrect standard used (not as a result of a change in household size or move)
051 - Incorrect amount used resulting from a change in residence
052 - Incorrect standard used resulting from a change in household size
053 - Incorrectly prorated
096 - Policy incorrectly applied

➢ Element 365 - Medical Deductions

Nature codes:

043 - Deduction that should have been included was not
045 - Failed to consider or incorrectly considered Medical deductions
096 - Policy incorrectly applied

➢ Element 366 - Child Support Payment Deduction (includes exclusions)

Nature codes:

040 - Failed to consider or incorrectly considered Child Support deductions (exclusions)
043 - Deduction (exclusion) that should have been included was not
096 - Policy incorrectly applied
111 - Child support payment(s) not considered or incorrectly applied for initial month(s) of eligibility

➢ Element 371 - Combined Gross Income

Nature codes:

030 - Does not exceed prescribed limit
031 - Incorrect limit applied
096 - Policy incorrectly applied

➢ Element 372 - Combined Net Income

Nature codes:

030 - Does not exceed prescribed limit
031 - Incorrect limit applied
096 - Policy incorrectly applied

Other

➢ Element 412 - Budgeting System

Nature codes:

063 - Deductions excluded that should not have been
064 - Household improperly participating under retrospective budgeting
065 - Household improperly participating under prospective budgeting
096 - Policy incorrectly applied
101 - Simplified reporting household

➢ Element 413 - Application

Nature codes:

059 - Household expedited and should have received postponed verification
066 - Improper denial within 30-day period for missing interview(s)
073 - Improper denial - failed to screen for expedited service
076 - Failed to provide expedited service to expedited eligible household
077 - Failed to issue a required Notice of Missed Interview (NOMI)
078 - Denial before the 30th day
079 - Incorrect use of allotment tables
081 - Late denial agency failed to process the application timely
082 - Improper denial for missing interview when interview never scheduled
096 - Policy incorrectly applied
117 - Failed to process the reapplication timely (recertification application)

➢ Element 414 - Joint TANF/SNAP Processing and Reporting

Nature codes:

067 - Improper termination/denial/suspension when TANF was terminated/ denied
068 - Benefits improperly terminated due to non-submission of monthly report
096 - Policy incorrectly applied

➢ Element 415 - Verification

Nature codes:

003 - Agency failed to follow up on inconsistent or incomplete information
004 - Agency failed to follow up on known and reported impending changes
056 - Improper Denial/Termination -failure to provide - verification was received or was in case file
069 - Improper denial prior to end of timeframe for providing verification
080 - No application or case record information to support denial/termination/suspension
096 - Policy incorrectly applied
102 - Verification of income requested for a person not associated with current application
103 - Verification of resources requested for a person not associated with current application
105 - Verification was in case file
172 - Improper Denial/Termination - failure to provide - case should have been processed without the deduction
173 - Improper Denial/Termination - failure to provide - categorically eligible household with deemed eligibility elements
174 - Improper Denial/Termination - failure to provide - failed to send a request for contact
175 - Improper Denial/Termination - failure to provide – verification requested was for another program

176 - Improper Denial/Termination - failure to provide - household never notified of needed verification
177 - Improper Denial/Termination - failure to provide - household not given at least 10 days to provide
178 - Improper Denial/Termination - failure to provide - prior to the 30th day

➢ Element 416 - Action Type

Nature codes:

070 - Improper denial or termination when the case should have been suspended
071 - Improper suspension when the case should have been denied or terminated
072 - Improper termination or suspension for failure to meet reporting requirements
096 - Policy incorrectly applied

➢ Element 511 - Other

Nature codes:

005 - Computer programming error
012 - Computer user error (improper use of system or unauthorized process or work around)
013 - Data entry and/or coding error (includes selection of incorrect codes)
055 - Failure to provide verification for a period of time not associated with current application
084 - Information reported by a bank or financial institution contact inaccurate
085 - Information reported by a collateral contact inaccurate
086 - Information reported by an employer contact inaccurate
087 - Information reported by a landlord contact inaccurate
095 - Other public assistance case was terminated / denied
096 - Policy incorrectly applied
099 - Other. This code is to be used in situations not covered by the other existing element codes.

➢ Element 520 - Arithmetic Computation

Nature codes:

061 - Benefit/allotment/eligibility incorrectly computed
062 - Incorrect use of allotment tables
096 - Policy incorrectly applied

➢ Element 530 - Transitional Benefits

Nature codes:

075 - Eligible for transitional benefits
096 - Policy incorrectly applied

➢ Element 540 - Notices

Nature codes:

049 - Failed to send notice of action
089 - Notice did not include date of intended action
090 - Notice did not include rights of household
091 - Notice not clearly understandable
092 - Notice reason does not match reason for action
093 - Notice was not complete
094 - Notice was sent to wrong address
096 - Policy incorrectly applied

RESERVED

This section provides information for the evaluation of the action and case record. This section will be completed for all cases by the State agency.

19. Collateral and/or Household Contact – Enter the appropriate code which reflects the decision of the reviewer to make a collateral and/or household contact. The reason for contacting the collateral source or the household (by telephone or a letter or in person) must be documented in Section V – Narrative. The narrative must clearly address the element(s) in question.

01 - No collateral or household contact was conducted.
02 - Telephone contact made to a collateral source - information in case record regarding an element(s) was not clear and accurate.
03 – Telephone contact made to the household - information in case record regarding an element(s) was not clear and accurate.
04 - Letter contact made to a collateral source - information in case record regarding an element(s) was not clear and accurate. The reason for using a letter must be documented on the FNS-245 Section V and a copy of the letter included. The letter must clearly address the element(s) in question.
05 – Letter contact made to the household - information in case record regarding an element(s) was not clear and accurate. The reason for using a letter must be documented on the FNS-245 Section V and a copy of the letter included. The letter must clearly address the element(s) in question.
06 - Face-to-face contact made to a collateral source - information in case record regarding an element(s) was not clear and accurate.
07 – Face-to-face contact made to the household - information in case record regarding an element(s) was not clear and accurate

20. Action Initiated By - Enter the appropriate two digit code to indicate the initial event that prompted the action by the State agency. This information will be used for administrative purposes and possibly to direct corrective action.

01 - Reported information from the household
02 - Reported information from an automated source
03 - Reported information from other source
04 - Application for assistance submitted by the household
05 - Interim report completed by the household
06 - Interim report not submitted07 - Failure to provide requested information from an application
08 - Failure to provide requested information from an interim report
09 - Re-certification for assistance submitted by the household
10 - Failure to provide requested information from a re-certification
11 – Other

OPTIONAL (FOR STATE SYSTEMS ONLY)

There is one line of spaces available for the State to code information to capture additional data as designated by the State.

SECTION V EXPLANATION OF REVIEW FINDINGS

This section will be used to document the results of the review. The reviewer must record information used to determine the validity of the action and, if necessary, information on the status of the case as of the review date. The reviewer may document a single element of eligibility or all elements, depending upon the circumstances of each case. Documentation must be sufficient to support the reviewer's decision on the status of the case (both a valid and an invalid determination) and the identification of any variances, if the action was found to be invalid.

The narrative should contain a descriptive explanation of the circumstances from the case record regarding why the action was initiated, what information the agency used to arrive at the decision, what decision was made, and whether the notice that was issued was specific, and clearly understandable. QC findings should summarize the agreement or disagreement with the actions taken by the agency.

The narrative should answer these questions:
If no notice was sent, is it within the certification guidelines to not send a notice?
Did the action taken reflect what was known by the EW?
Did the EW make a mistake?
Did the notice reflect what the EW thought was happening?
Does the notice indicate what happened?
Is the notice clearly understandable and specific about what was happening?

APPENDIX E
INTERVIEWING GUIDE FOR SNAP QUALITY CONTROL

Interviewing plays a vital role in the quality control review process. Skillful interviewing is a means of obtaining accurate, reliable information from SNAP households and collateral sources. While the reviewer obtains some information through correspondence; interviews with households and collateral contacts are a time-consuming portion of the reviewer's time. Making effective use of this opportunity to talk with the household and collaterals is an important aspect of the reviewer's job.

The interviewing techniques presented here provide a basis of knowledge to use in a variety of circumstances. These techniques alone cannot make a QC reviewer skilled at the interview process. Each person's personality and experience affects how the techniques learned are applied to the various interview situations. Acquiring these skills along with preparation and knowledge of the case record before the contact with the household and collaterals will reduce anxiety and free the reviewer to be more responsive in the interview situation.

The Nature of Interviewing

An interview differs from a general conversation in that it has a clearly defined purpose of fact-finding, and is directed by the interviewer to achieve that objective.

The QC reviewer will face a variety of interviewing situations with:

- Households
- Businesses
- Governmental agencies
- Other professionals
- Neighbors and acquaintances of the households, and
- Others with information about the household circumstances

Building a good rapport with the household and other collateral contacts will aid the QCR in obtaining needed information and may expedite the review.

Interviews with the household are usually conducted in their home. However, some may take place in offices, over the telephone, by video conferencing, or at a mutually agreed upon location.

Regardless where the interview is held or with whom; the purpose remains the same - obtaining accurate, factual information for the QC review.

General Rules for Effective Interviews

1. The reviewer must listen to the other person
2. The reviewer must create a feeling of trust and confidence with the household. Fairness and honesty must exist
3. The household must be put at ease. Some "small talk" might help
4. The reason for the interview must be clear in the minds of both persons
5. Words and phrases used must have a common meaning for both persons
6. The reviewer must give undivided attention to the household. As far as possible, there should be no interruptions from the telephone or any other source

Introductions

The initial introduction lays the groundwork for what may become:

- A successful interview, or
- A complete refusal

For an interview to be successful, the reviewer must:

- Introduce oneself and establish a good relationship with the household
- Seek to alleviate the apprehensions or fears that may be present in the recipient's mind
- Understand and address the typical questions that arise when the household finds someone at their door claiming to be a Government representative

Step One:

Introduce oneself and explain the reason for the visit.

Although introductions vary somewhat, the language commonly used is:

- "My name is (*reviewer's name)*. I work for SNAP, (*reviewer's state*) Public Assistance Office, (use *whatever name used by the local State agency*)"
- The term "SNAP" and State public assistance office are usually understood. Identifying the name of your State Agency will help associate the reviewer as a government representative
- By stating "I am with" or "I am working for"; the household can relate to the reviewer as an ordinary working person with whom they can talk

- Referring to a previous call or appointment letter that scheduled the interview, will also remind the household of the purpose for the reviewer's visit

Step Two:

Show your identification card.

- Be sure the recipient has enough time to read it
- Showing an official identification will serve to alleviate suspicion and uncertainty

Next Steps:

Explain the purpose of the visit and make the household aware of the importance of the interview.

- Leave the description in general terms since the results of the review depend largely on the spontaneity of the household's comments
- Avoid suggesting possible answers to questions that will be asked

Explain how the participant was randomly selected for the interview. This may be done somewhat as follows:

- "Reviews are done in an effort to ensure households are receiving the correct amount of benefits. Your case was randomly selected through an automated system for a review"

In Summary:

The introduction should not be a "canned" speech recited the same way each time it is used.

- Make it natural, conversational, and try to engage the participant and stimulate their interest
- Learn to gain the intuitive "hunches" about what to say to any particular participant. (This is an acquired skill as an interviewer)

In general, introductions should contain the following elements:

- Identifying oneself as a SNAP representative
- Showing the identification card
- Explaining the purpose of the interview and its importance
- Explaining how the particular household was chosen

Creating Rapport

The QC interview is intensive as it seeks to attain a full and spontaneous discussion of the household's circumstances. Creating a personal relationship between the interviewer and the household is a necessary element in every interviewing situation.

These simple steps will help the household accept the reviewer and respond to them as person to whom the household can relate on common ground.

- The first impression made by the reviewer during the introduction will determine to a large degree, the rapport developed with the household, i.e., the friendliness and trust
- The more natural the approach, the better
- Dress simply and appropriately
- Use a level of language suitable to the interview style
- Show a sincere interest in the work and in the household's answers

Sometimes the reviewer may feel the introduction process alone has not established her/him firmly enough to proceed at once with the interview.

A common procedure in such situations is talking about a topic in which both persons have an interest. A good rule in building rapport is talking about things with which the household is familiar or interested in discussing.

Some things that may help to ease the situation include:

- Discussing the weather or the latest baseball scores
- Commenting on the household's garden, or
- Being friendly with the children or the family pet

Encouraging Discussion

To be successful, an interview requires management and direction to attain the desired goals. This may involve taking steps to overcome unresponsiveness when it occurs, and other measures to achieve a positive two-way flow of communication.

Take the initiative.

- Some households will naturally be hesitant at first to discuss their household circumstances
- The reviewer must help the communication process get underway
- Initiate the discussion after introductory remarks and the initial explanation of the interview process

Provide support.

Offering certain feedback indicates the interviewer is attentive and is attaching proper importance to what the household is saying.

- Show the household you want to know what she/he is talking about
- Encouragement comes from visual as well as verbal feedback
- Encourage the household visually with an expression of interest on your face, following the conversation of the household, etc.
- Encourage the household verbally with brief, interjectory statements to stir the speaker to say more, such as:

    - "I see"
    - "Uh-huh"
    - "Is that so?"
    - "Yes, I understand, go on"

Don't be afraid of silence.

Often, an interviewer may talk too much or move the conversation along too quickly because they feel uncomfortable when there are moments of silence.

- Pauses shouldn't be embarrassing or awkward
- Silence often draws people out
- Pauses can be valuable if a recipient responded too briefly to a question
- Such a pause may be sufficient to encourage the respondent to elaborate on their answer

Use neutral questions.

Neutral questions may be used to elicit more complete responses to questions.

These are examples of the type of questions that may be used to encourage the recipient to further explain their response.

- "Why do you think that is so?"
- "I'd be interested in hearing your reason for that," or
- "Just how do you mean?"

It is best to avoid a blunt "Why?" since it tends to make the household feel that she/he is being "put on the spot".

Repeat the question.

- Repeating the question is a useful device when the household seems unable to make up her/his mind or strays from the topic
- Rephrasing the question may help the household when they seem to find it difficult to answer a question

Restate.

One technique to encourage discussion is restating what the household or collateral contact just said.

- The reviewer can end with "Is that correct?"
- Restating what the household said has two advantages:

  1) The reviewer clearly establishes in her/his own mind what the household said, and
  2) The household may feel compelled to elaborate on any parts of the answer they think the reviewer didn't completely understand.

Summarize.

Like restatement, the purpose of summarizing is to validate the correctness of the information the reviewer has obtained.

- Summarizing is especially useful to clarify what was said and prompt the recipient to expound further on their statement
- Summarizing all that has been said will help to clarify information and overall understanding
- Summarizing establishes a basis for further discussion of any issues that may have arisen

Asking Questions

Since much of interviewing is based on the art of asking questions, the right questions must be asked in order to obtain appropriate and complete responses.

Formulating the Question.

Questions should be clear and specific as to the information desired.

- Do not permit an unclear interpretation
- Word the question broadly enough to allow a full response

- Avoid questions that permit a simple yes or no response, although there are times when such a response is necessary

When a response is incomplete or vague; a follow-up question is necessary.

Elicit a more precise response by rephrasing with statements such as:

- "I am not clear on the point you made about...," or
- "Will you tell me more about...?"

When the meaning of the response is unclear, repeating the response gives the household the opportunity to confirm, deny, or clarify their answer. For example:

- "Did I understand you to say that (*whatever the recipient stated*) is the situation?"

When a response is incomplete, misleading, or only hinted at, the reviewer must probe for more detailed information. This may be done by asking such questions as:

- "Why is that so?"
- "Can you tell me about that?"
- "It seems that you are saying...."
- "Will you give me some details about the situation?"
- "Then what?"
- "Is that so?"
- "Tell me more"

Avoiding Pitfalls.

Interviewing can involve some pitfalls related to techniques of asking questions. Some of the traps to avoid are:

1) When asking questions, the reviewer must not tip off the answers.

- Give the recipient latitude to make a response

Example: *Do not say,* "You do not have any money in the bank, do you?"
Ask instead, "What bank(s) do you use?"

Example: *Do not say* "How much is your rent?"
Ask instead, "Tell me about your rental situation."

2) Avoid entrapment, unless there is a specific reason to suspect the household is being untruthful.

Example: *Avoid asking,* "In what bank do you have your savings account?"

This applies unless circumstances point to the existence of a previously unreported bank account.

3) Avoid remarks that can be construed as passing judgment on the recipient or the household's responses.
4) Tactfully interrupt the person if necessary to go on to the next question. Long, elaborate explanations by the household that add excessive detail are unnecessary.

Listening

Another technique of interviewing is the art of listening. Effective listening requires considerable practice and involves learning new skills.

The complexity of effective listening is evident considering the reviewer is engaged in a number of complicated activities simultaneously, including:

- Receiving and absorbing the household's response
- Coordinating it with information already received
- Evaluating the response
- Seeking to establish its meaning in relation to other known facts
- Framing a follow-up question; and
- Trying to fulfill the overall plan for the interview

Understanding the meaning of the response is enhanced by carefully noting:

- The household's tone of voice
- The emphasis given, and
- The inflections in their voice

Non-Verbal Communication

In addition to verbal communication, households respond to different forms of non-verbal communication.

During the course of the interview, both the reviewer and household make observations about one another about such things as:

- Manner of dress
- Facial expressions
- Head-nodding
- Posture
- Hand gestures
- Eye movements, and
- Seating arrangements, etc.

If properly interpreted, non-verbal signs may help one better understand the thoughts expressed. These signs cannot be taken alone at face value. Non-verbal expressions:

- May not convey the entire story or the implications we believe they convey
- May support or contradict the verbal message, e.g., the household may verbally express agreement but show uncertainty or disagreement by their facial expression
- May supplement the verbal expression of the household, particularly when there are language difficulties
- May amplify, underline, and at times, contradict what is conveyed verbally

The reviewer must be aware of their own thoughts, feelings and expressions. Use caution that non-verbal signs do not inadvertently convey false impressions to the household.

Note-Taking

<u>The purpose of the quality control interview is gathering specific factual information</u>. This lends itself naturally to the practice of note-taking.

Some reviewers are concerned about taking notes during the interview.

- Taking notes is only a problem if it interferes with the flow of communication by distracting the reviewer from what the household is saying, or even distracting the household
- The reviewer is not expected to accurately remember detailed information, such as:
    - Names
    - Addresses
    - Telephone numbers

  - Amounts of income and deductions, and
  - Dates, etc.

- The recipient may have more confidence when he sees the reviewer writing down what the household is saying
- The household may wonder why the reviewer asked for the information in the first place, or question their sincerity, if the reviewer does not write down the recipient's statements

It is a businesslike procedure to take notes in the presence of the household to maintain the accuracy of the household's statements.

The reviewer is required to:

- Request and obtain verification and documents to be copied or scanned, necessary to examine the household's eligibility and benefit allotment, or
- Sufficiently document all elements of eligibility necessary to examine the household's eligibility and benefit allotment (See Chapter 5), and
- Inform the household what information is still needed in writing prior to the end of the interview

It is a good practice to explain to the household the need for taking notes.

- The household may question what the reviewer is writing
- Explain this is a way to ensure retention of accurate information
- This alerts the household to the note-taking process

The general rule for note-taking is this:

- Do not become preoccupied to the degree that continuous writing becomes distracting
- Do not let note-taking interfere with your attention to what the recipient is saying

Best Practice for Completing Cases: Send the household another reminder of verification needed when the reviewer returns to his or her office.

After the interview, the reviewer may determine additional information is needed from the household to complete the review. The reviewer must:

- Make every attempt to obtain that information from the household by calling and sending a letter
- Use collateral contacts if the household does not respond or is unable to provide the necessary information (See Chapter 5)

Closing the Interview

It is important to leave the household with a favorable impression toward the reviewer and the agency they represent.

- Clear up any questions or doubts about the interview expressed by the household before leaving
- Inform the household that any new information provided during the QC interview that needs to be reported to the local office, still needs to be reported by the household to the local office in order to meet their reporting requirements
- Ensure the household knows their time was well spent
- Express a few words of thanks so the household feels their efforts were appreciated

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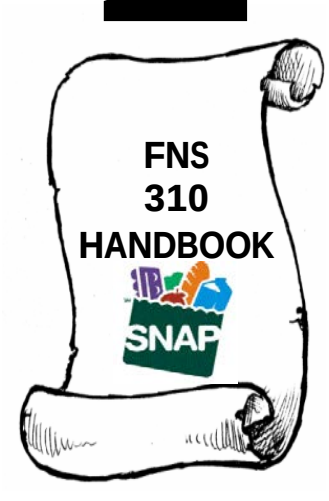

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