



Food and  
Nutrition  
Service

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Center

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**DATE:** June 30, 2017

**SUBJECT:** Supplemental Nutrition Assistance Program – Fiscal Year 2018  
National Target Areas for Management Evaluations

**TO:** Regional Administrators  
Program Directors  
All Regions

The purpose of this memo is to transmit national target areas and procedures for the Supplemental Nutrition Assistance Program (SNAP) Management Evaluations (MEs) for Fiscal Year (FY) 2018. The Food and Nutrition Service (FNS) National Office (NO), in collaboration with FNS Regional Offices (ROs), have identified 5 national target areas and 8 at-risk program areas where resources should be directed for FY 2018.

### **National Target Areas:**

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

The FY 2018 Federal Target Areas are:

1. Local Program Access Review (PAR) for States with a FY 2016 CAPER above the National Average and States with recently implemented eligibility systems;
2. Able-Bodied Adults Without Dependents (ABAWD) tracking and policy compliance for all States transitioning off of Statewide time limit waivers in FY 2018;
3. Integrity of State reporting through SNAP's Quality Control (QC) systems to ensure the reliability of the data;
4. Electronic Benefit Transfer (EBT) within 6 months of a State implementing a new photo EBT card policy; and
5. Employment and Training (E&T) programs at the State agency level that meet at least one of the following criteria:
  - FY 2018 budgets in excess of \$10 million (Federal and State funds) as approved in SNAP E&T plans;
  - Shifted to mandatory E&T programs in FY 2017 or plan to shift in FY 2018; or
  - Became a new pledge State in FY 2018 or any pledge State that has not been reviewed in the past 3 years.

*Review of Program Access at the Local Level*

FNS has determined that a poor Case and Procedural Error Rate (CAPER) within a State is an indicator of customer service and access issues throughout the State agency's SNAP certification process. For State agencies with a FY 2016 regressed CAPER above the National Average, the RO shall conduct an analysis of FNS QC data to determine the top error elements contributing to the State's poor CAPER. When determining the location of the review, the RO Review Team shall use FNS QC data by local area and/or request appropriate data from the State. The RO Review Team shall then customize the Local PAR Review Guide tools based on the identified top error elements and identified review location. Special attention should be paid to the State's CAPER Corrective Action Plan to ensure it meets Federal Corrective Action Plan requirements at 7 CFR 275.16 and includes appropriate actions that address the root cause(s) of the State's poor CAPER.

In addition to conducting a Local PAR for States with a poor CAPER, a Local PAR shall also be conducted in State agencies that have implemented a new eligibility system or have made significant changes to an existing eligibility system (e.g., integration of SNAP into the eligibility system) since the last Local PAR conducted in the State. The RO Review Team shall customize the Local PAR Review Guide tools to best assess the identified or potential issues related to the eligibility system.

*Integrity of State QC Reporting*

FNS has determined that it is necessary to conduct follow-up reviews of SNAP State agency quality control operations to ensure they remain free from any bias and that all State corrective actions have been implemented properly. The RO shall ensure that case reviews pulled as part of the QC Integrity Review were cases selected and reviewed by State Quality Control Reviewers (SQCR) in FY 2017. The review shall examine whether all previous findings were fully addressed and are reflected in the State's written policy or standard operating procedures. Special attention should be paid to the State's adherence to QC documentation requirements, the operation of error review committees, assurance that the use of any third party consultant is for allowable administrative activities, and the level of State system access provided to Federal QC reviewers.

*Review of ABAWD Tracking and Policy Compliance*

First, RO staff shall use Section V of the ABAWD ME Guide to conduct readiness assessments in States that are anticipated to transition-off of a Statewide ABAWD time limit waiver in FY 2018. The readiness assessment must be conducted prior to the expiration of each State's waiver, and does not need to be conducted onsite. This readiness assessment is considered technical assistance and should therefore **not** be entered into MEMS NextGen.

Second, RO staff shall use the full ABAWD ME Guide to conduct comprehensive reviews in all States that have transitioned-off of Statewide ABAWD time limit waivers in FY 2018 and any additional States identified by the RO and NO. This review should be conducted at least 3 months after each State's ABAWD time limit waiver has expired. ROs have discretion to conduct ABAWD tracking and policy compliance reviews in tandem with other MEs, or to conduct them independently. Furthermore, as noted in the ABAWD ME Guide, ROs need not review content shared by the E&T ME Guide if they have already or plan to conduct an E&T review within the same FY.

#### *Review of Photo EBT Cards*

ROs shall conduct a review of the State's photo EBT card policy and process within 6 months of the initial implementation date. The ME requirement applies only to States that have implemented a new photo EBT card policy for the first time.

ROs should note that States are required to submit a post-implementation assessment and evaluation within 120 days of implementation. Therefore, we would expect ROs to wait to conduct the review until after the post-implementation assessment has been submitted (i.e. within 4-6 months after implementation) in part to confirm the results. However, ROs may choose to conduct the review sooner if there appears to be major issues in the early stages of implementation, particularly with mandatory policies.

Photo EBT card reviews will involve areas such as: mandatory vs. voluntary policy; benefit proration if mandatory; impact on eligibility/certification; timely card/benefit availability; procedure for obtaining photos; photo storage, State staff training; client education; hardship exemptions and complaint logs.

In addition, a sample of retailers should be surveyed either over the phone or onsite at stores to verify SNAP retailers' understanding of the policy. This survey may be conducted in consultation or conjunction with NO staff.

#### *Review of the State ME System*

In addition to the annual ME reviews, the ROs shall conduct a review of the State agency's ME system on a biennial basis. FNS may review a State agency's ME system on a more frequent basis if a regular review reveals serious deficiencies in the ME system.

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

**Federal At-Risk Areas:**

ROs have the responsibility to review other areas on an at-risk basis. In determining risk, the RO should take into consideration any criteria associated with an at-risk area below, time elapsed since an area has been reviewed using timeframes listed for each area below or in the appropriate ME guide, deficiencies identified at that time, and any recent changes to the program area.

The FY 2018 Federal At-Risk review areas are:

1. QC Statistical anytime a State changes its sampling plan and at least once every 3 years;
2. SNAP-Ed at least once every 3 years;
3. Recipient Claims Management/Treasury Offset Program at least once every 3 years;
4. Recipient Integrity at least once every 3 years;
5. E&T programs that leverage third party funds or that make significant changes in providers or funding categories;
6. Program Access Review (PAR) at the State agency level;
7. ABAWD for any States that transitioned off Statewide time limit waivers in FY 2017 or have demonstrated significant deficiencies in ABAWD tracking and policy compliance and at least once every 3 years; and
8. Electronic Benefit Transfer (EBT):
  - a. Adjustments
  - b. Replacement of EBT cards and PINs
  - c. EBT System Security with a focus on administrative terminal access, including investigative cards, and separation of duties
  - d. Reconciliation of EBT financial activity

### **Federal Procedures:**

ROs should note the following procedures for completing MEs in FY 2018.

- Reviews—regardless of whether it is a target area or at-risk area in a given year—*must be completed onsite* in order to be considered an ME review.
- ROs are expected to use data analytics during the review cycle. The NO will provide additional guidance outlining expectations for FY 2018.
- ROs must use the standardized ME review guides to review the specified program areas. It is important to note that review guides are **not** the sole source of questions if something is discovered onsite that requires further investigation.
- If issues are uncovered during the ME review process, the appropriate steps established through the escalation of high profile and/or chronic critical program issues should be undertaken as outlined in FNS ME Resolution Standard Operating Procedures (SOPs) and FNS Escalation SOPs.
- ROs should remind State agencies about their responsibility for completing corrective action within 60 days. According to 7 CFR 275.3, States are expected to immediately correct most ME deficiencies within 60 days and report back to the RO on deficiencies requiring longer term actions. ROs must continue to track long-term corrective actions until implemented and validated.
- If RO personnel suspect significant program violations in ME functional areas not delineated in this memorandum as a target or at-risk area, ROs should consult with the NO before scheduling a ME review so that staff resources can be adequately targeted.
- ROs, in consultation with the NO, will develop a ME review schedule by September 1, 2017, in order for staff resources to be efficiently distributed.

### **Review Staff:**

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

**Reports of RO Review Activity:**

In accordance with SNAP National ME Guidance, each RO must submit a preliminary review schedule to the National ME Coordinator by September 1, 2017. Finalized review planning should be completed and entered into MEMS NextGen for tracking purposes by October 1, 2017. ROs are responsible for keeping their review schedules up-to-date in MEMS NextGen throughout the year.

We appreciate the effort made by you, your staff, and your State agency partners to ensure the integrity of and improved access to SNAP. If you have any questions or require assistance, please contact Michael Ribar at (703) 305-2449 or [Michael.Ribar@fns.usda.gov](mailto:Michael.Ribar@fns.usda.gov).

Sincerely,

/s/

Jeffrey N. Cohen  
Acting Associate Administrator  
Supplemental Nutrition Assistance Program