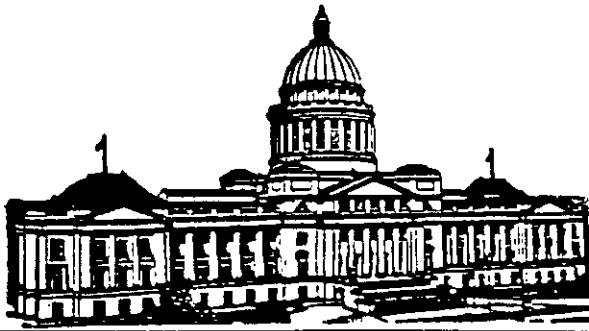


# ARKANSAS REGISTER

## Transmittal Sheet



Sharon Priest  
Secretary of State  
State Capitol Rm. 01  
Little Rock, Arkansas 72201-1094

For Office  
Use Only: Effective Date 9/2/99 Code Number 016.20.99-015

Name of Agency Department of Human Services

Department Division of County Operations

Contact Person Roy D. Kindle, Jr. Phone 682-8251

Statutory Authority for Promulgating Rules P.L. 104-193 The Personal Responsibility and Work Opportunity Reconciliation Act 1996

Intended Effective Date	<u>FSC 99-16</u>	Date	
<input type="checkbox"/> Emergency	Legal Notice Published . . . . .	<u>7-23-99</u>	
<input checked="" type="checkbox"/> 10 Days After Filing	Final Date for Public Comment . . . . .	<u>8-21-99</u>	
<input type="checkbox"/> Other	Filed With Legislative Council . . . . .	<u>7-23-99</u>	
	Reviewed by Legislative Council . . . . .		
	Adopted by State Agency . . . . .	<u>9-1-99</u>	

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with Act 434 of 1967 As Amended.

[Signature]  
Signature

682-8375  
Phone Number

Director  
Title

7-19-99  
Date

7-19-99  
7:14 PM  
JAN 12 1999

**DEPARTMENT OF HUMAN SERVICES  
DIVISION OF COUNTY OPERATIONS  
AMENDING LEGISLATIVE REGULATION  
ARKANSAS LEGISLATIVE COUNCIL**


**NUMBER AND TITLE:** 99-16, Update of FSC-11000 Section

**PROPOSED EFFECTIVE DATE:** September 1, 1999

**STATUTORY AUTHORITY:** The Personal Responsibility and Work  
Opportunity Reconciliation Act of 1996

**NECESSITY AND FUNCTION:** This policy has been updated by substituting the words *food stamp benefits* for *food stamp allotment*, replacing information about AFDC with information about TEA, correcting other policy references, deleting instructions for keying information to FACTS, and rewriting some sections for clarity.

**PAGES FILED:** A total of 31 pages were filed.



**Roy D. Kindle, Jr.  
Assistant Director  
Office of Program Planning and Development**

**PROMULGATION DATE:** September 1, 1999

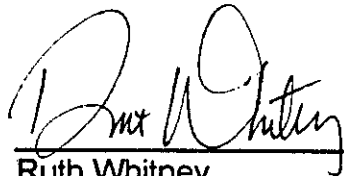
**CONTACT PERSON:** Roy D. Kindle, Jr.  
Assistant Director  
Office of Program Planning and Development  
P.O. Box 1437, Slot 1220  
Little Rock, AR 72203-1437  
(501) 682-8251

RECEIVED  
SEP 1 1999  
REGISTER DIV.  
SEP 23 11 4:12  
STATE OF ARKANSAS

## NOTICE OF RULE MAKING

Pursuant to the Food Stamp Act of 1977 and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, this policy has been updated by substituting the words *food stamp benefits* for *food stamp allotment*, replacing information about AFDC with information about TEA, correcting other policy references, deleting instructions for keying information to FACTS, and rewriting some sections for clarity.

Copies of the revised policy may be obtained by writing to the Division of County Operations, Attention: Food Stamp Policy Section, P. O. Box 1437, Slot 1241, Little Rock, AR 72203-1437. All comments must be submitted within 30 days of the date of publication of this notice. If you need any material in a different format, such as large print, contact our Americans with Disabilities Act Coordinator at 682-8920 (Voice) or 682-8933 (TDD). The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and operates, manages and delivers services without regard to political affiliation, religion, disability, age, veteran status, sex, race, color or national origin.



Ruth Whitney  
Director  
Division of County Operations

FILED  
AR. REGISTER DIV.  
92 JUL 23 PM 4:12  
BY \_\_\_\_\_  
CLERK OF ARK. DEPT. OF HUMAN SERVICES

DEPARTMENT/AGENCY	HUMAN SERVICES
DIVISION	COUNTY OPERATIONS
DIVISION DIRECTOR	Ruth Whitney
CONTACT PERSON	Roy D. Kindle, Jr.
ADDRESS	Donaghey Plaza South, P.O. Box 1437, Slot 1220, Little Rock, AR 72203-1437
PHONE NO.	(501) 682-8251

A. Please make copies of this form for future use.

B. Please answer each question completely using layman terms. You may use additional sheets if necessary.

C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.

D. Submit two (2) copies of this questionnaire attached to the front of two (2) copies of your proposed rule and mail or deliver to:

\*\*\*\*\*

- If yes, please provide the federal regulation and/or the statute citation. *The Food Stamp Act of 1977, as amended (Pub.L. 95-113)*

- YES XX NO

If yes, what is the effective date of the emergency rule?

When does the rule expire? \_\_\_\_\_

YES NO

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AUG 23 PM 4:12  
1977

5. Is this a new rule? \_\_\_\_\_ YES XX NO

Does this repeal an existing rule? \_\_\_\_\_ YES XX NO

Is this an amendment to an existing rule? XX YES \_\_\_\_\_ NO

**Is this an amendment to an existing rule? If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes.**

6. What state law grants the authority for this proposed rule? If codified, please give Arkansas Code citation. *NA*

7. What is the purpose of this proposed rule? Why is it necessary?

*The policy has been updated by substituting the words "food stamp benefits" for "food stamp allotment", replacing information about AFDC with information about TEA, correcting other policy references, deleting instructions for keying information to FACTS, and rewriting some sections for clarity.*

8. Will a public hearing be held on this proposed rule? \_\_\_\_\_ YES XX NO

9. When does the public comment period end? August 23, 1999

10. What is the proposed effective date of this proposed rule? September 1, 1999

11. Do you expect this rule to be controversial? \_\_\_\_\_ YES XX NO  
If yes, please explain.

12. Please give the names of persons, groups, or organizations which you expect to comment on these rules. Please provide their position (for or against) if known.

NAME	GROUP/ORGANIZATION	ADDRESS
<i>David Manley Attorney at Law</i>	<i>Legal Services of Arkansas</i>	<i>209 West Capitol, Suite 36 Little Rock, AR 72203</i>

**PLEASE ANSWER ALL QUESTIONS COMPLETELY.**

DEPARTMENT HUMAN SERVICES

DIVISION COUNTY OPERATIONS

PERSON COMPLETING THIS STATEMENT Betty Helmbeck

TELEPHONE NO. 682-8284 FAX NO. 682-1469

**FINANCIAL IMPACT STATEMENT**

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE FSC 99-16

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?        YES XX NO
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.

**2000-2001 Fiscal Year**

General Revenue	\$	<u>-0-</u>
Federal Funds	\$	<u>-0-</u>
Cash Funds	\$	<u>-0-</u>
Special Revenue	\$	<u>-0-</u>
Other	\$	<u>-0-</u>
Total	\$	<u>-0-</u>

**2001-2002 Fiscal Year**

General Revenue	\$	<u>-0-</u>
Federal Funds	\$	<u>-0-</u>
Cash Funds	\$	<u>-0-</u>
Special Revenue	\$	<u>-0-</u>
Other	\$	<u>-0-</u>
Total	\$	<u>-0-</u>

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

2000-2001 Fiscal Year \$ -0- 2001-2002 Fiscal Year \$ -0-

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

2000-2001 Fiscal Year \$ -0- 2001-2002 Fiscal Year \$ -0-

# MANUAL TRANSMITTAL

## Arkansas Department of Human Services

### Division of County Operations

☒ Policy ☐ Form ☐ Policy Directive

Issuance Number 99-16

Food Stamp Certification Manual Issuance Date 9/1/99

From: Ruth Whitney  
Director

Expiration Date Until Superseded

Subj: General Update to FSC 11000

<u>Pages to be Deleted</u>	<u>Dated</u>	<u>Pages to be Added</u>	<u>Dated</u>
FSC 11000 (Entire Section)	Various Dates	FSC 11000 (Entire Section)	9/1/99

### FSC 11000 – Summary of Changes

The following changes have been made throughout this entire section of policy:

- The policy has been generally updated and rewritten.
- The words “food stamp benefits” have been substituted for “food stamp allotment.”
- References to AFDC have been replaced by references to TEA.
- Policy references have been corrected and/or updated.
- Instructions for keying information to FACTS have been deleted.

Specific changes are explained below:

FSC 11330 – Information about TEA has been added.

FSC 11420 – A paragraph has been added to explain how to handle deductible expenses when verification is requested but not supplied by the household.

FSC 11510 – Information about SFSP households has been added.

FSC 11530 – The procedures for handling forms received on the last day of the month have been clarified.

FSC 11550 – A statement has been added to clarify how to handle verification of income supplied voluntarily by the household.

FSC 11640 – This policy has been corrected to agree with the current FSC policy regarding medical deductions. Additional information about allowing one-time medical expenses was added.

Inquiries to: Betty Helmbeck, Food Stamp Section, (501) 682-8284





11100

Summary

Ongoing food stamp eligibility and benefit amount are based on a household's current situation. To ensure current information about a household is available, reporting requirements are imposed on all households that apply for food stamp benefits and all households that receive food stamp benefits.

There are two types of reporting requirements - occasional reporting and quarterly reporting. Occasional reporters must report specified changes within 10 days of the date the change becomes known. Quarterly reporters must submit a report every third month but have no additional reporting requirements.

11200

Changes Required to be Reported

Both occasional and quarterly reporters must report the following changes.

1. Changes in Residence and/or Address

All changes in residence and/or address must be reported. If a change in residence results in a change in the household's shelter cost, the new shelter costs must be reported.

2. Changes in Household Composition

The addition or loss of any eligible or ineligible household member must be reported.

3. Changes in Resources

The acquisition of any licensed vehicle must be reported.

Total liquid resources (cash on hand, bank accounts, stocks, bonds, etc.) which reach or exceed \$2,000 must be reported.

4. Changes in Income

Quarterly reporters must report and verify all earned income when the quarterly report is submitted. (Exception: Self-employment income which has been annualized need not be reported and verified each time a quarterly report is submitted.) Quarterly reporters must report and verify child support payments if these payments are to be deducted. Quarterly reporters must report changes of more than \$25.00 in unearned income and changes in sources of unearned income on the quarterly report.

Occasional reporters must report the following changes in both earned and unearned income within 10 days of the date the change becomes known to the household.

- Changes in a source of income. This includes new income from any source or income from any source which has stopped.
- Changes of more than \$25 in the household's total gross monthly income. This includes both increases and decreases in income.

The following changes in income need not be reported by either quarterly reporting or occasional reporting households.

- Changes in TEA cash assistance payments.
- Child support refunds paid to TEA recipients.

These changes must be reflected in the household's food stamp benefit amount. (This applies to both quarterly reporters and occasional reporters.) See FSC 12510 - 12520. See FSC 5704.1 for instructions on handling child support refunds.

11300                    Reporting Requirements

11310                    Applicant Households

During the application interview, the applicant must report changes which occur after the application is prepared. Occasional reporters must report changes which occur after the interview but before the application is approved within 10 days of the date of the approval notice. Quarterly reporters may report these changes on the first quarterly report form.

11320                    Categorically Eligible Households

Categorical eligibility is explained in FSC 1920. Categorically eligible households have the same reporting requirements as any other household. In most instances, a categorically eligible household will be classified as an occasional reporting household.

If a categorically eligible household reports a change and as a result is no longer categorically eligible, the household becomes subject to applicable income and resource limitations. The case will be closed if necessary.

If a regular or aged/disabled household reports a change and as a result becomes categorically eligible, the income and resource limitations will no longer apply.

11330                    PA Households

In a PA food stamp household all members are receiving or have applied for a state, or a combination of a state and federal, public assistance grant. In Arkansas, state public assistance grants are paid as Transitional Employment Assistance (TEA) cash assistance. Supplement Security Income (SSI) payments are federal public assistance grants. See the "Glossary", definition of a PA Household, for additional information.

- \* PA households participate in the Simplified Food Stamp Program (SFSP). Households that participate in the SFSP are only required to report changes under TEA rules. See FSC 8970-8979.

11340                    Quarterly Reporters

Quarterly reporting households must report and verify earned income when the quarterly report is submitted. Quarterly reporting households have no additional requirements for reporting changes in earned income. Other changes as specified in FSC 11200 must be reported only when the quarterly report form is submitted.

Quarterly reporting households will not be subject to any other reporting requirements. However, changes reported independent of the quarterly reporting system will be processed according to the standards in FSC 11410.

A quarterly reporting household that fails to report a change on the first quarterly report form issued after the household becomes aware of the change is considered to be at fault for any resulting over issuances or under issuances of food stamp benefits. If an under issuance occurs because the household failed to report a change on the quarterly reporting form, no restored benefits will be issued to the household. See FSC 13000. If an over issuance occurs, an overpayment will be prepared as instructed in FSC 15400.

#### 11350 Occasional Reporters

All households not subject to the quarterly reporting requirements are considered to be occasional reporters. Currently, certified households classified as occasional reporters must report the changes specified in FSC 11200 within 10 days of the date the change becomes known to the household.

Occasional reporters may report changes on a *Change Report Form* (DCO-234) or may send a letter describing the change. Changes may also be reported by telephone or in person. Changes submitted by telephone or in person will be recorded by the county worker on a *Telephone Report* (DCO-271).

An occasional reporting household which fails to timely report a change is considered to be at fault for any resulting over issuances or under issuances of food stamp benefits. If an under issuance occurs because the household failed to timely report a change, no restored benefits will be authorized. If an over issuance occurs, an overpayment will be prepared as instructed in FSC 15400.

#### 11400 Special Instructions - Occasional Reporters

The following actions must be taken on all changes reported by occasional reporters:

1. Record the change.

Each county must devise a record of changes reported by occasional reporters. The minimum requirements for the record are the name and SSN of the head of the household, the date the change was received and the date the change was completed. Other information may be captured if desired by the county office.

2. Document in the case record the date the change was received.

Any *Change Report Form* (DCO-234) or letter submitted by a household must be date stamped on the day received. A *Telephone Report* (DCO-271) must be dated with the date the change was reported.

3. Provide the household with a new DCO-234 and business reply mail (BRM) envelope.

4. Provide the household with a notice. See FSC 11440 for additional information.

11410

Processing Standards for Occasional Reporters

Any change must be processed within 10 days of the date the change was reported to the county office. Day one of the processing period is the first calendar day after the report was received. The date of receipt must be entered by the county office on all changes including those received in person or by telephone.

An increase in food stamp benefits resulting from the addition of a household member or a decrease of \$50 or more in income must be reflected in the household's next regularly scheduled benefit extract. (If a change is reported after current month's benefits have extracted, no change can be made until the following month.) If necessary, a supplemental issuance will be authorized. See FSC 13200.

Other increases in food stamp benefit amounts must be reflected in the first regularly scheduled extract of food stamp benefits occurring after the allowed processing period.

Example 1 - On July 31 a household reports a member who was earning \$200 per week was laid off. Only one pay check will be received from this job in August. This change must be reflected in the household's August food stamp benefit amount.

Example 2 - On August 1 a household reports a member who was earning \$200 per week was laid off. Only one pay check will be received from this job in August. This change must be reflected in the household's September food stamp benefit amount.

Unless the reported change meets all the criteria listed in FSC 11440, a decrease in benefits or a case closure must be effective no later than the month following the month in which the household's notice of adverse action expires.

Example 1 - A change in liquid resources is reported by telephone on July 25 and processed the same day. The household is ineligible. The notice of adverse action expires August 4. The closure is effective for the September food stamp benefit amount.

Example 2 - A change in liquid resources is reported by telephone on July 16 and processed on July 20. The notice of adverse action expires on July 31. The closure is effective for the August food stamp benefit amount. (NOTE: If the household provides verification of its eligibility on the 31st, reinstatement will occur. See DCOUM 7310.)

When the household is exempt from the notice of adverse action, the decrease or closure will be effective no later than the month following the month when the change was processed.

FOOD STAMP CERTIFICATION MANUAL 11410-11420 DATE: 9-1-99	SECTION: REPORTING REQUIREMENTS SUBJECT: OCCASIONAL REPORTERS - VERIFICATION
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Example - A change in liquid resources is reported in writing on July 25 and processed the same day. The household is ineligible. An adequate notice is issued. The closure is effective for August.

#### 11420 Verification for Occasional Reporters

Verification of a change in income will be required in the following situations.

1. A change of more than \$25 has been reported. (Verification is not required if the change is \$25 or less.)
2. The income is from a new source.
3. Income from any source has stopped.
4. The reported information appears to be inaccurate.
5. The reported information is incomplete.
6. The reported information is inconsistent with information found in the case record.

Reported changes in resources (vehicles or liquid resources) will be verified when the information reported is inaccurate, incomplete or inconsistent with information found in the case record.

Reported changes in household composition will be verified only when the reported information is inaccurate, incomplete or inconsistent with information found in the case record.

A new address need not be verified unless the reported information is inaccurate, incomplete or inconsistent with information found in the case record. If the household's residency in the county and/or state is in question, verification of residency will be requested.

New costs declared for rent, mortgage, insurance and/or real estate tax expense will be verified only if questionable. Actual utility costs which exceed the standard and result in a deduction will be verified if the household has moved or the amount has changed by more than \$25. Both the obligation to pay child support and the amount of payment will be verified when an occasional reporting household claims a member has begun paying child support.

Verification will be requested via an advance notice of adverse action. If the household supplies verification which results in a decrease in benefits or a case closure, another advance notice of adverse action will be issued to advise the household of the effect of the change. See FSC 11440.

Verification of medical expenses will be requested if the household reports total medical expenses that have changed by \$25 or more. Verification will also be requested if the household has declared an expense which may be past due or subject to reimbursement.

\* If a household does not submit required verification before the specified deadline (except for verification of child support payments, medical expenses or actual utilities), the household's case must be closed. If verification of child support payments, medical expenses or actual utility costs is not supplied before

FOOD STAMP CERTIFICATION MANUAL 11420-11430 DATE: 9-1-99	SECTION: REPORTING REQUIREMENTS SUBJECT: OCCASIONAL REPORTERS - NOTICES
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the deadline, the expense will be disallowed. The case will be closed only if the household's income exceeds the limits when the expense is disallowed. (NOTE: If verification of actual utility costs is not provided, the worker will use the utility standard in the budget if the household is entitled to the standard. If not, all unverified utility costs will be disallowed.

#### 11430                      Shortening the Certification Period

Shortening a certification period is recommended when the worker feels that an in-depth interview and imposition of full verification requirements are needed.

The following actions must be taken to shorten a certification period.

1. Document the case record. The documentation must specifically state the reason for shortening the certification period.
2. Issue a Notice of Food Stamp Certification Expiration (DCO-239). The household must receive the DCO-239 on any day during the next to the last month of the shortened certification period. For example, if the certification period is being shortened to end in August, the household must receive a DCO-239 some time during July.

See FSC 10210 for instructions on completion of the DCO-239.

3. Complete a Food Stamp Authorization Document (DCO-233). The new ending certification date must be entered in field 76. The DCO-233 must be keyed.

Shortening a certification period is not an adverse action as long as the DCO-239 is mailed to the household in a timely manner.

#### 11440                      Notices to Occasional Reporters

If the household's food stamp benefit amount will not change, the household will be so notified via a manually issued *Notice of Action* (DCO-1).

When the food stamp benefit amount decreases or the case closes as a result of a reported change, an advance notice of adverse action must be issued unless the report meets all of the following conditions:

- The information was reported in writing via *Change Report Form* (DCO-234) or a letter signed by the head of the household, spouse, or other responsible household member.
- Based solely on the household's written report, the worker can determine the household is ineligible or the food stamp benefit amount will decrease.
- The household is advised of its right to an administrative hearing and continued benefits if the hearing is requested within 10 days of the date of the notice.

- If continued benefits are requested, the household's previous benefit amount must be reinstated within 5 work days. (See DOCUM 7310.)

If the reported change meets all these conditions, an advance notice of adverse action is not required. However, an adequate notice must be issued to be received by the household before the reduced benefits are authorized. For case closures, the adequate notice must be received by the household before or at about the same time the household's benefits would normally be authorized.

Either the notice of adverse action or the adequate notice must advise the household of:

- The nature of the change (reduction or closure);
- The reason for the change; and
- The effective date of the action.

When the food stamp benefit amount increases as the result of a reported change an adequate notice must be issued. The notice of action must advise the household of:

- The new food stamp benefit amount;
- The reason the benefit increased; and
- The effective date of the increase.

If the household will receive supplemental benefits as a result of the change, the notice must specify the amount of the supplement and the month of receipt.

#### 11450 Special Situations/Exemptions From Notice

In the situations listed below, adverse action may be taken on an occasional reporting case without the issuance of a notice.

1. Death of All Household Members - When all household members have died, the case will be closed immediately. No notice will be issued.
2. Move From State - When all household members have moved from the state, the case will be closed immediately. No notice is required; however, one may be provided upon request.
3. Completion of Restoration of Lost Benefits - Some households elect to receive restored benefits in installments. Such households must be notified in writing of the last month restored benefits will be authorized. (See FSC 13310.) If the household was properly notified at the time the restored benefits were authorized, no notice need be sent after all installments have been authorized.
4. Anticipated Changes in Monthly Benefits - The monthly food stamp benefit amount may vary from month to month due to anticipated changes. See FSC 14323. If the household was notified of these variations at certification, no additional notice is required.

5. Case Closed at Household's Request - When a household voluntarily requests case closure in writing, no notice is required. If a verbal request for closure is made by the household in the presence of the county office worker, written confirmation of the closure will be issued via the Notice of Action (DCO-1). The written confirmation will not offer the household the same protection as an adequate notice. (See Appendix B, the *Glossary*, definition of "Notice of Action.") Should the household appeal the action to close the case, benefits will not be continued pending a decision.
6. Addressee Unknown/No Forwarding Address - When mail is returned by the post office with a message from the post office indicating that the addressee is unknown, has moved and left no forwarding address, or that the address provided does not exist, the case may be closed without notice. The worker must insure that a county office error did not cause the mail to return. The county office worker must also insure that the household has not reported an address change which was not processed or was processed incorrectly. The returned mail, including the envelope, must appear in the case record. The action to close the case must be fully documented.

11460

SUMMARY CHART  
OCCASIONAL REPORTING

Type of Change	Reporting Requirement	Processing Standard	Verification CODE	Notice CODE
INCOME - Change in source	Within 10 days of date known	10 days	VR	NOAA or AN
INCOME - Increases or decreases by \$25 or less	NONE	10 days	VIO	NOAA or AN
INCOME - Increases by more than \$25	Within 10 days of date known	10 days	VIO	NOAA or AN
INCOME - Decreases by more than \$25 but less than \$50	Within 10 days of date known	10 days	VR	AN



CHART - OCCASIONAL REPORTING (continued)

Type of Change	Reporting Requirement	Processing Standard	Verification CODE	Notice CODE
INCOME - Decreases by \$50 or more	Within 10 days of date known	10 days / not later than the beginning of next calendar month	VR	AN
LIQUID RESOURCES Reach or exceed \$2,000	Within 10 days of date known	10 days	VIO	NOAA or AN
VEHICLES Acquires a vehicle	Within 10 days of date known	10 days	VIO	NOAA or AN
ADDRESS/ RESIDENCE	Within 10 days of date known	10 days	VQ	AN
HOUSEHOLD MEMBER - Enters home.	Within 10 days of date known	10 Days / not later than the beginning of the next calendar month	VQ	NOAA or AN
HOUSEHOLD MEMBER - Leaves home.	Within 10 days of date known	10 days	VQ	NOAA or AN
SHELTER COSTS	Only if change of residence - If so, within 10 days of date change becomes known	10 days	Entitlement to Standard VQ Actual Utility costs VS25	AN

FOOD STAMP CERTIFICATION MANUAL  
11460-11460  
DATE: 9-1-99

SECTION: REPORTING REQUIREMENTS  
SUBJECT: SUMMARY -  
OCCASIONAL REPORTERS

CHART - OCCASIONAL REPORTING (continued)

Type of Change	Reporting Requirement	Processing Standard	Verification CODE	Notice CODE
CHILD SUPPORT	NONE	10 days	VR	NOAA or AN
DEPENDENT CARE COSTS	NONE	10 days	VQ	NOAA or AN
MEDICAL COSTS	NONE	10 days	VS25	NOAA or AN

NOTICE CODES FOR REPORTED CHANGES

- AN - Issue an adequate notice.
- NOAA - Issue an advance notice of adverse action.
- NON - No notice is required.

VERIFICATION CODES FOR REPORTED CHANGES

- VR - This information must be verified.
- VQ - This information must be verified if questionable.
- VIO - This information must be verified if incomplete, inaccurate, inconsistent or outdated.
- VS25 - This information must be verified if the source has changed or the amount has changed by more than \$25.

11500                      Quarterly Reporting Households

Households subject to quarterly reporting will be assigned a mandatory 12 month certification period and required to submit a report every third month. At the end of the 12 month period, the household must be recertified.

11510                      Households Subject to Quarterly Reporting

The following food stamp households are not subject to the quarterly reporting requirement:

1. Households eligible to be assigned a certification period longer than 12 months. (See FSC 8710, item 3.) EXCEPTION - Any of these households with a child support deduction will be subject to quarterly reporting.
2. Migrant and seasonal farm worker households. (See the *Glossary* for the definitions of a migrant household and a seasonal farm worker household.)
3. Households certified under the expedited provisions when verification is postponed. (See FSC 9441.)
4. Households residing in a drug and/or alcohol treatment center. (See FSC 1820.)
5. Households with a member participating in a strike. (See FSC 1700.)
- \* 6. Households participating in the Simplified Food Stamp Program (SFSP).
- \* 7. Households composed entirely of SSI recipients, even if one or more of the SSI recipients has earned income. EXCEPTION - Any SSI household with a child support deduction will be subject to quarterly reporting.
8. Households which are extremely unstable. Extremely unstable households are those normally assigned a one or two month certification period under the policy in FSC 8710. These households cannot reasonably predict what their situation will be in the near future, or they expect a significant change in their income or household status. A significant change might include, but is not limited to, a move to another state or a household division. A household that is living on the streets or in a homeless shelter is an example of a household which cannot reasonably predict its future situation.
9. Households consisting entirely of aged and/or disabled individuals, as defined in the *Glossary*, and minor dependent children. EXCEPTION: Any of these households with earned income will be subject to quarterly reporting. (See item 6 above if the household is categorically eligible.)

All other households will be subject to the quarterly reporting requirements.

FOOD STAMP CERTIFICATION MANUAL 11520-11530 DATE: 9-1-99	SECTION: REPORTING REQUIREMENTS SUBJECT: QUARTERLY REPORTERS
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## 11520                      Entering Quarterly Reporting

A household may enter quarterly reporting only when an initial application or a recertification is approved. If a household reports a change and is no longer exempt from the quarterly reporting requirement, the household's certification period will be shortened as explained in FSC 11430.

In the following situations a household must be given a full explanation of the quarterly reporting requirements.

- When a household enters quarterly reporting for the first time.
- When a household was not subject to quarterly during the last certification period.
- If more than one full calendar month has elapsed since the household last participated in the Program.

The worker will provide a pamphlet to the household and will:

- Explain that the household must submit a report form each quarter;
- Explain the changes that must be reported;
- Explain that the household has no other reporting requirements but is allowed to report changes independent of the quarterly reporting system;
- Show the household how to complete and return the form; and
- Explain to the household that failure to return the quarterly report will result in case closure.

A pamphlet and an abbreviated explanation of quarterly reporting will be furnished to other households at the time of the interview. This explanation may consist of:

- A review of the quarterly reporting requirement;
- A review of the changes which are to be reported; and
- An explanation that failure to return the quarterly report will result in case closure.

All quarterly reporting (QR) households will be given a mandatory 12 month certification period. If a change is expected in a month when a quarterly report is not scheduled to be processed, the worker will use the review for change field on the DCO-233.

## 11530                      Processing Standards

Generally, three quarterly reporting forms will be generated during a household's 12 month certification period. (In the 12th month the household must be recertified.)

When an initial application is approved, the first quarterly reporting form will be processed three full months after the month of application. The first three month period will be based on the date of application.

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SECTION: REPORTING REQUIREMENTS  
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COMPLETION OF THE FORM

**EXAMPLE -** An application is submitted on April 16. Regardless of whether the application is approved in April or May, the quarterly reporting form must be processed during the month of July. Thereafter, quarterly reporting forms will be processed in the months of October and January. The household will be recertified in March.

When a household is recertified, the first quarterly reporting form will be processed three full months into the new certification period after the month of application.

**EXAMPLE -** A household applies and is recertified in December. The new certification period begins in January. The first quarterly reporting form will be processed in March. Thereafter, quarterly reporting forms will be issued in June and September. The household will be recertified again in December.

Quarterly reports will be extracted five work days from the end of the month and mailed three days after extract. The form will be due on the fifth of the month. The household must submit a quarterly report form before the end of the report month, or the case will automatically close.

Quarterly reports received in the county office on or before the due date (the fifth of the month) must be completed before the end of the report month. This means the household must be notified before the end of the report month of the effects of the report on eligibility and benefit amount.

\* Quarterly reports received in the county office after the due date but postmarked before the end of the report month must be processed within 10 days or before the end of the report month, whichever is later. If the last work day falls on a weekend or holiday, forms received on the first work day of the following month will be considered to have been received before the end of the report month.

Processed means 1) that a case action must be completed and keyed, or 2) that a *Quarterly Reporting Request for Information* must be issued to request required verification. Households required to submit verification must be allowed at least 10 days to provide the verification.

If the household submits a quarterly report before the end of the report month but the county does not process the form by the end of the month for any reason, the case will automatically close. If the household is later determined to be eligible, the case will be reinstated according to the instructions in DCOUM 7310.

11531

#### QR Households - Special Circumstances

Occasionally, a quarterly reporting (QR) household will report a change in the last twenty days of the second month of the QR cycle. The change must be processed if there is adequate time to affect the household's benefits for the third month of the QR cycle. If not, the change will be processed when the household submits the quarterly report.

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In some instances, a household will be issued an advance notice of adverse action that expires during the last ten days of the second month of the QR cycle. See below for the correct procedure to follow in these instances.

Situation 1 - In the first two weeks of the second month of the QR cycle, a QR household reports a change. Verification is requested. The household submits the verification as requested.

Action - If the verification is provided in time to affect the third month of the QR cycle, the change will be processed immediately. If not, the change will be processed when the QR form is submitted.

Situation 2 - In the last two weeks of the second month of the QR cycle, a QR household reports a change. Verification is requested. The household does not submit the verification and the QR form is extracted. The household submits the QR form.

Action - If the case remains open for any reason, the QR form will be processed.

If the case has been closed, the correct action will depend on when the QR form was mailed to the household.

- a) If the QR form was sent to the household before the 10 day notice of adverse action expired, the case will remain open and the QR form will be processed. See DCOUM 7410 for instructions.
- b) If the QR form was sent to the household after the 10 day notice of adverse action expired, the case will remain closed and the household instructed to reapply.

Situation 3 - A household moves. The food stamp case is transferred to the new county of residence. The household submits the QR form after the closure occurs.

Action - A new application must be submitted in the county where the household lives. The household will be so notified by the county receiving the QR form.

11540

#### Completion of the Quarterly Report Form

A copy of the quarterly report will be issued to each county office. The county may duplicate this form for households reporting non-receipt or loss of the quarterly report.

The names and birth dates of the casehead and all household members must be entered on the form. The form must be signed by the casehead or other responsible household member or the authorized representative. Forms which do not contain the names of household members and a legitimate signature will be returned to the household for completion. If names, but no birth dates appear on the form, the worker may contact the household by telephone for the dates of birth or the name of the casehead. (Workers entering information on the form

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If the form is submitted some time after the date it was completed and signed, the worker is allowed, but not required, to obtain verification of additional pay the household should have received by the date of submission. For example, if the income verification submitted by the household with the form is representative of the household's current pay, the household may not need to submit additional verification.

Questionable information which appears on the form must also be verified. The worker will request verification and/or collateral contact if:

- 1) Declared unearned income is more than \$25 higher or lower than the last report but no verification was supplied;
- 2) Information supplied about the household's earned or unearned income is incomplete;
- 3) The household has reported earned or unearned income from a new source but no verification was supplied;
- 4) The household is no longer reporting unearned income from a previously declared source;
- 5) A new member has been added, the new member is subject to the work registration requirements and no income was reported for this member; or
- 6) The household's expenses exceed its income and unreported income and/or unreported household members are suspected.

The worker may request verification of any questionable situation. However, the reason the situation is considered questionable must be documented in the case record. For example, if a household is reporting there has been no change in a source of unearned income that has historically fluctuated by more than \$25.00, the worker may request verification of the income from that source.

Also, the worker may refer cases to the Field Investigator or may conduct a field investigation if there is reason to think information provided on the form is false. If possible, the investigation should be completed before the form is processed. See FSC 12440 for additional information about reports from Field Investigators.

Verification must always be requested via a *Request for Information* (DCO-218). The deadline for providing required verification is the end of the report month. However, the household must be given at least 10 days to provide the required verification. If necessary, the deadline will be extended into the month following the report month to allow 10 days. (If the 10 day period ends on a weekend or holiday, the deadline will be further extended, until the end of the first workday following the weekend or holiday.) For households furnishing the required verification before the specified deadline but after the case has closed, eligible households will be reinstated as instructed in DCOUM 7310. An adequate notice will be issued to ineligible households. (See FSC 11570.)

If a household does not submit required verification before the specified deadline (except for verification of child support payments, medical expenses or actual utilities), the household's case will close. If the verification is submitted after the deadline, the household will be issued a *Notice of Action* (DCO-1) stating that the food stamp case has already been closed and the household must reapply.

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must use a different color ink, must initial the entry and must document the name of the household member who provided the information.) If the household cannot be reached by telephone, the form will be returned to the household for the necessary information.

Unsigned forms will be returned to the household. In other instances, when a form lacks sufficient information to determine the household's current circumstances, the household may be interviewed by telephone. Information provided in a telephone interview will be clearly labeled and the following information documented - the name of the person interviewed, the date of the interview and the name of the worker who conducted the interview. If telephone contact is not possible the form may be returned to the household for completion. The household will be given until the end of the report month or 10 days, whichever is later, to return the completed form.

The incomplete form will be accompanied by a *Request for Information* (DCO-218), explaining that if the form is not returned by the date indicated on the *Request for Information*, the case will close. The form will tell the household to contact the county office if assistance is needed in completing the form.

#### 11550                      Verification to be Submitted With Quarterly Reporting Form

The following income verification must be submitted with the quarterly report.

##### 1.     Verification of earned income.

Exceptions: Self-employment income which has been annualized need not be reverified each time a quarterly report is submitted. Contractual income which has been annualized need not be reverified each time a quarterly report is submitted.

##### 2.     Verification of unearned income from a new source.

##### 3.     Verification of unearned income which has increased or decreased by more than \$25.00. (Verification is not required if the change is \$25 or less.)

##### 4.     Verification of a declared child support deduction. If this is a new deduction, both the amount of obligation and the amount of child support paid must be verified. For existing deductions, the obligation to pay must be verified only if a change is reported. The amount of child support paid must be verified at each quarterly report.

See the chart in FSC 11580 for additional information about required verification.

- \* Quarterly reporting households will be budgeted prospectively. Therefore, for earned income, the household must submit, at a minimum, verification of earnings received in the 30 day period prior to the date of completion of the form. (Usually, this will be the two or four most recently received check stubs.) If the household submits additional verification, this verification may be used to anticipate the household's income for the upcoming three-month period. See FSC 7512 and FSC 7523 - 7523.2 for additional information.



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If verification of child support payments, medical expenses or actual utility costs is not supplied before the deadline, the expense will be disallowed. The case will be closed only if other verification is missing or the household's income exceeds the limits when the expense is disallowed.

## 11560 Processing IEVS Reports

NOTE: IRS matches occur only at application. Therefore, this section contains no information on handling IRS matches. See FSC 2500 through 2600 for information about IEVS. See FSC 2610 for information about handling IEVS reports at application. See FSC 2800 for an explanation of IEVS reports generated on applicants.

For quarterly reporting households, reports from the Income and Eligibility Verification System (IEVS) will be processed only when the quarterly reporting form is processed. IEVS reports generated on quarterly reporting households will not be tracked through the Food Stamp Pending Case Action File. The county will be responsible for insuring IEVS reports are processed as the quarterly reporting forms are processed.

IEVS reports received during the quarter will be posted to the FSQR IEVS Screen (FQIP). The screen will continually update as IEVS reports are received so that only the most current information appears on the screen. In other words, if an SSI mismatch report is generated each of the three months in the quarter, only the most recent mismatch report will appear on the screen. If there were no matches during the quarter, the screen will contain the following message - "NO MATCHES FOR THIS MEMBER." Each time a quarterly reporting form is processed, IEVS information must appear as a part of the case action. Counties will have the option of receiving paper IEVS reports or printing the screen.

Documentation of IEVS matches must appear in the case record at each quarterly report. A copy of either the paper IEVS report or the IEVS screen must appear in the case record as documentation that the county has completed the process of determining if there is an IEVS match on any household member. See Step 1 below for information about additional documentation required for matches.

The following actions must be taken on each IEVS match.

1. The IEVS information must be compared to the information in the case record. If the information is already reflected in the case record, no additional action is required. The case record must be so documented. If the information is new, the discrepancy must be resolved.
2. The information must be verified. The information from the following matches will be considered verified upon receipt.
  - BENDEX Change
  - New SSI Cases
  - SSI Mismatch
  - COLA Mismatch (when involving SSI recipients)
  - UI Benefit Matches

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A household affected by one of these matches must provide verification only if it disagrees with the information.

Information from the following matches must always be verified.

- BENDEX Wage
- BENDEX Error
- ESD Wage

See Appendix E to the DCOUM for an explanation of the contents of each IEVS report. Look under the explanation of the FQIP screen.

Verification may be obtained from a collateral source (employer, agency, etc.) or from the household. The verification must include the amount of the income, whether the household actually received the income, and the period during which the income was received. If the household provides inadequate verification, the caseworker must attempt to resolve the discrepancy by contacting other collateral sources. See FSC 2700-2720 for additional information.

If the household cannot provide needed verification and the worker cannot contact a collateral source to get the verification, the household's statements about the income will be accepted. In no instance will a household be denied benefits solely because a person outside the household (including those in business or other agencies) cannot or will not provide verification.

3. If it is necessary to request verification from the household, a ten day notice of adverse action will be issued to the household via the QR *Request for Information* (DCO-218). The notice must inform the household of the information needed and request the household respond within 10 days.

If the household fails to respond or if the household provides required verification and, as a result, a case closure or an allotment reduction occurs, an adequate notice must be issued to the household.

See the *Glossary*, definition of *Notice of Action*, for additional information.

See FSC 2920 for instructions on calculating IEVS savings.

#### 11561 Delaying Processing to Get IEVS Information

The deadline for providing required verification of IEVS information will be the end of the report month. However, the household must be given at least 10 days to provide the required verification. If necessary, the deadline will be extended into the month following the report month to allow 10 days. If the household furnishes the required verification before the specified deadline but after the case has closed, eligible households will be reinstated. (See DCOUM 7310.) If the household is not eligible, an adequate notice will be issued. (See FSC 11570.)

If the household does not submit the required verification before the specified deadline, the household's case will close. If the verification is submitted after the deadline, the household will be issued a *Notice of Action* (DCO-1) stating that the food stamp case has already been closed and the household must reapply in order to participate in the Program.

11562                    Changes to IEVS Screen After Form Processed

For counties which choose to receive paper reports, changes which occur on the IEVS screen after the IEVS report is generated are not required to be processed. For counties which choose to print the IEVS screen, the screen must be printed after the quarterly reporting form is received in the county office. Changes which occur on the IEVS screen after the screen is printed are not required to be processed.

Any county may choose to access the IEVS screen at any time during the quarterly report month. However, if the screen is accessed before the quarterly reporting form is processed, any changes which appear on the screen must be handled as part of the quarterly report.

11570                    Notices - Quarterly Reporting Households

An adequate notice will be issued to any household whose food stamp benefit amount changes as a result of information reported on the quarterly report. The adequate notice must be received by the household before or at about the same time the household's benefits will normally be received. The adequate notice must advise the household of:

- The nature of the change;
- The reason for the change; and
- The effective date of the change.

An automated notice may be issued in most circumstances. See APPENDIX H to the DCO User's Manual.

11571                    Special Situations/Exemptions From Notice

In the situations listed below adverse action may be taken on a quarterly reporting case without the issuance of a notice.

1.    Death of All Household Members - When all household members have died, the case will be closed immediately. No notice will be issued.
2.    Move From the State - When all household members have moved from the state, the case will be closed immediately. No notice is required; however, one may be provided upon request.
3.    Completion of Restoration of Lost Benefits - Some households elect to receive a restoration of lost benefits in installments. Such households must be notified in writing of the last month restored benefits will be

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received. (See FSC 13310.) If the household was properly notified at the time the restoration was authorized, no notice need be sent after all installments have been authorized.

4. Anticipated Changes in Monthly Benefits - Food stamp benefits may vary from month to month due to anticipated changes. See FSC 14323. If the household was notified of these variations at certification, no additional notice is required.
5. Case Closed at Household's Request - When a household voluntarily requests case closure in writing, no notice is required. If a verbal request for closure is made by the household in the presence of the county office worker, written confirmation of the closure will be issued via a Notice of Action (DCO-1). The written confirmation will not offer the household the same protection as an adequate notice. (See Appendix B, the *Glossary*, definition of *Notice of Action*.) Should the household appeal the action to close the case, benefits will not be continued pending a decision.
6. Addressee Unknown/No Forwarding Address - When mail is returned by the post office with a message from the post office indicating that the addressee is unknown, has moved and left no forwarding address, or that the address provided does not exist, the case may be closed without notice. The worker must insure that a county office error did not cause the mail to return. The county office worker must also insure that the household has not reported an address change which was not processed or was processed incorrectly. The returned mail, including the envelope, must appear in the case record. The action to close the case must be fully documented.

FOOD STAMP CERTIFICATION MANUAL  
11580-11580  
DATE: 9-1-99

SECTION: REPORTING REQUIREMENTS  
SUBJECT: QUARTERLY REPORTING  
SUMMARY CHART

11580

SUMMARY CHART  
QUARTERLY REPORTING

Type of Change	Reporting Requirement	Processing Standard	Verification CODE	Notice CODE
Earned Income	When QR form is submitted	End of report month	VR	AN
INCOME - Change in source	When QR form is submitted	End of report month	VR	AN
INCOME - Increases or decreases by \$25 or less	NONE	End of report month	VIO/VQ	AN
INCOME - Increases by more than \$25	When QR form is submitted	End of report month	VIO	AN
INCOME - Decreases by more than \$25 but less than \$50	When QR form is submitted	End of report month	VR	AN
INCOME - Decreases by \$50 or more	When QR form is submitted	End of report month	VR	AN
LIQUID RESOURCES Reach or exceed \$2,000	When QR form is submitted	End of report month	VIO	AN
VEHICLES Acquires a vehicle	When QR form is submitted	End of report month	VIO	AN
ADDRESS/ RESIDENCE	As soon as change becomes known	10 days	VQ	AN

Type of Change	Reporting Requirement	Processing Standard	Verification CODE	Notice CODE
HOUSEHOLD MEMBER - Enters home.	When QR form is submitted	By end of report month	VQ	AN
HOUSEHOLD MEMBER - Leaves home.	When QR form is submitted	By end of report month	VQ	AN
SHELTER COSTS	Only if change of residence - If so, when QR form is submitted	By end of report month	ENTITLEMENT TO STANDARD VQ ACTUAL UTILITY COSTS VS25	AN
DEPENDENT CARE COSTS	NONE	By end of report month	VQ	AN
CHILD SUPPORT	NONE	By end of report month	VR	AN
MEDICAL COSTS	NONE	By end of report month	VS25	AN

#### NOTICE CODES FOR REPORTED CHANGES

- AN - Issue an adequate notice.  
NOAA - Issue an advance notice of adverse action.  
NON - No notice is required.

#### VERIFICATION CODES FOR REPORTED CHANGES

- VR - This information must be verified.  
VQ - This information must be verified if questionable.  
VIO - This information must be verified if incomplete, inaccurate, inconsistent or outdated.  
VS25 - This information must be verified if the source has changed or the amount has changed by more than \$25.

FOOD STAMP CERTIFICATION MANUAL 11600-11600 DATE: 9-1-99	SECTION: REPORTING REQUIREMENTS SUBJECT: QUARTERLY REPORTING MID POINT REVIEWS
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11600

Midpoint Reviews on 24 Month Certifications

At any application (initial or recertification), a certification period of up to 24 months may be assigned to any household in which there is no earned income, all household members are eligible, and each household member is either aged or disabled as defined in the *Glossary* under *Aged/Disabled Household*.

All households assigned a 24 month certification period are subject to the occasional reporting requirements. (See FSC 11350.) Additionally, these households must submit a signed *Food Stamp Midpoint Review* (DCO-244) at the end of the first 12 months of the certification period.

On the last work day of each month or at the time of monthly extract, a DCO-244 will be generated for each household in its 10th month of certification when the certification period is longer than 12 months. For example, on January 31, a DCO-244 will be issued for each household with a certification period longer than 12 months when the 12th month of certification ends in March. DCO-244s will be accompanied by a report entitled "FS Cases Selected for Annual Review for MONTH" (FS-4026).

During the household's 11th month of certification, the county office will mail the DCO-244 to the household along with a *Midpoint Review Instruction Sheet* (DCO-235). The DCO-224 and DCO-235 should be mailed after the 15th day of the month but before the end of the month. The DCO-244 is intended to be used with a window envelope.

11610

Processing Standards

The household must return the *Food Stamp Midpoint Review* (DCO-244) no later than the 15th day of the household's 12th month of certification. If the 15th day of the month falls on a weekend or holiday, the deadline for receipt will be extended to the first work day following the 15th. Failure to return the DCO-244 by the last day of the 12th month of certification will result in case closure.

When a household returns a signed DCO-244 by the 15th day, the county must process the report before the end of the month. Any signed DCO-244 returned before the end of the 12th month of certification must be processed. When DCO-244s are processed after the end of the month, the household's benefits must be reinstated.

FOOD STAMP CERTIFICATION MANUAL  
11620-11630  
DATE: 9-1-99

SECTION: REPORTING REQUIREMENTS  
SUBJECT: MIDPOINT REVIEWS

11620

Interviews

There is no requirement for a formal interview at the midpoint review. An informal interview may be conducted when the worker feels information reported on the form is inaccurate, inconsistent or incomplete. Even then, when the household has reported information that can be clarified through the submission of documentary evidence, it will not be necessary to conduct an interview.

An interview may be conducted with any responsible household member or with the household's authorized representative (AR). A telephone interview will be conducted whenever possible. If the household cannot be interviewed by telephone or does not wish to be interviewed by telephone, an in-office interview or a home visit may be substituted. Interviews will be scheduled via a *Request for Information* (DCO-103).

11630

Processing Midpoint Review Forms

Returned *Midpoint Review Forms* (DCO-244) need not be fully completed. As long as the household returns a signed form, the worker may obtain the remainder of the needed information through an interview or other reliable documentary sources.

Unsigned DCO-244s received in the county office will be returned immediately to the household with a completed *Request for Information* (DCO-103). The household must be given at least 10 days from the date the notice is issued to return a signed form. If the form is returned after the end of the 12th month of certification but before the 10 day notice period expires, the household's benefits may be reinstated as instructed in DCOUM 7310.

All medical expenses must be reported and verified at the midpoint review. See FSC 11640 for instructions.

No special verification requirements will be imposed for changes reported at the time of the midpoint review. Households required to furnish verification must be allowed at least 10 days to do so. (It may be necessary to reinstate some cases in order to insure the household has 10 days to furnish verification.) When verification is needed, the worker will issue a DCO-103 to the household.

A household's case will not be closed solely due to failure to provide verification of a deductible expense. Instead, the expense will be disallowed. The case will be closed only if the household's net income exceeds the maximum allowed after the expense is disallowed. (See FSC 8961 if the net income exceeds the maximum, but the household is categorically eligible.)

Verification of deductible expenses received after the stated deadline will be handled as a reported change. The day after the date of receipt will be considered day one of the 10 day change processing period.

The following chart provides specific references to policy which explains the verification and processing of reported changes.



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TYPE OF CHANGE	POLICY REFERENCE
RESIDENCE/ADDRESS	FSC 12210 - 12211
HOUSEHOLD COMPOSITION	FSC 12220 - 12228
LIQUID RESOURCES / VEHICLES	FSC 12230 - 12233
INCOME	FSC 12240 - 12242

NOTE: Changes in shelter costs are only required to be reported when the household has actually moved to another address.

Any change in food stamp benefit amount resulting from a change reported at the midpoint review will be effective in the 13th month of the certification period.

If, as a result of a change reported at the midpoint review, a household no longer meets the criteria to be assigned a certification period longer than 12 months, the household's certification period will be shortened to 13 or 14 months as instructed in FSC 11430. This will allow the generation of a *Notice of Expiration* (DCO-239) to the household. The household may then reapply under the normal guidelines for recertification as specified in FSC 10100 -10810.

If, as a result of a change reported at the midpoint review, a household becomes ineligible, the case will be closed unless the household is categorically eligible as explained in FSC 8961.

#### 11640 Handling Medical Expenses

At the time of the midpoint review, the medical expenses of each household member must be declared and verified. See FSC 6500 - 6526 for a full explanation of the procedures for allowing a medical deduction.

Under no circumstances will a one time medical expense be prorated over a period longer than 12 months. When an applicant household is assigned a certification period longer than 12 months, one time medical expenses will be prorated over the first 12 month period. One time expenses reported as a change during the first 12 month period will be prorated over any months remaining in the first 12 month period.

Any one time medical expenses which were prorated over part or all of the household's first 12 months of certification must be dropped when the *Midpoint Review Form* (DCO-244) is processed. One time medical expenses will be allowed in the second twelve month period if the expense was incurred or payment otherwise became due in the month of the midpoint review or the month prior to the midpoint review. One time expenses may be allowed in the first month following the midpoint review or averaged forward over the second segment of the certification period. This is the household's choice. Any expenses no longer being incurred by the household must be dropped from the budget, and new expenses must be added to the budget.

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If the household declares medical expenses but does not provide verification or provides inadequate verification, this information will be requested via the *Request for Information* (DCO-103). The household may provide this information at any time before the end of the 12th month of certification unless the DCO-103 is sent during the last 10 calendar days of that month. In that case, the household must be allowed 10 days to provide the needed verification of medical expenses.

Failure to return verification of medical expenses must not cause the household's case to close unless net income exceeds the standards as a result of the disallowance of unverified medical expenses.

Verification of medical expenses received after the stated deadline will be handled as a reported change in medical expenses. The day after the information was received will be day one of the 10 day change report processing period.

#### 11650 Notices

An adequate notice will be issued to each household at midpoint review to advise the household that the review has been completed. Any changes must be explained on the notice. The notice should be received by the household before or at about the same time that the next food stamp benefits should become available.

If the household's certification period is being shortened as a result of information reported on the form, the household must be so advised.

These notices will be issued manually via a Notice of Action (DCO-1).

#### 11700 Mass Changes

Mass changes are based on legislative or regulatory actions which affect all or a substantial portion of the statewide food stamp case load. Households are not responsible for reporting changes which will be handled as a mass change.

Examples of mass changes include:

- Changes in the income eligibility standards;
- Changes in the earned income deduction, standard deduction, dependent care deduction, or shelter deduction.
- Changes in the food stamp benefit amount (NBI);
- Cost of living adjustments (COLA) on SSI or SSA payments; and
- Changes in the TEA rate of payment.

COLAs will be effective in the month of the increase unless the case cannot be automatically adjusted. Cases which cannot be automatically adjusted will be processed manually. Manually processed COLAs must be reflected no later than the second issuance of benefits available to the household after the month in which the change was effective.

11710                    Notices at Mass Change

Notices will be mailed to all affected households. Depending on the nature of the change, the notices may either be general or specific.

General notices will explain the nature of the change, how the change may affect the household's food stamp benefits, who the household may contact if there are questions, and how the household may request an administrative hearing. Specific notices contain the same information; however, the household's old and new food stamp benefit amount will be stated.

11720                    Reports at Mass Change

Reports generated at the time of a mass change may include the *List of Changes*, a *Mismatch List* and a *List of Closures*. Not all reports are generated at all mass changes. For example, a mismatch list is generated for a COLA mass change but not for an NBI mass change.

The county's responsibilities for clearing these reports are explained in FSC 11721 through FSC 11730.

11721                    List of Changes

This report is generated at every mass change under various titles. It is provided mainly for reference. The information which will appear on this report is listed below:

- Case name
- Case number
- Category (NA or PA)
- Current ending certification date
- Old food stamp benefit amount
- New food stamp benefit amount

Other information will be provided depending on the nature of the change.

11722                    List of Mismatches

This report is generated at a mass change when income on the food stamp file must be matched to income on other files. Changes which require this type of matching include, but are not limited to, SSA and/or SSI increases and decreases. (NOTE: SSA amounts do not appear on the Recipient Master File unless the member also receives SSI. Increases in SSA which cannot be obtained from the Recipient Master File are calculated.)

The mismatch list is a report of the cases which could not be automatically changed because a problem existed with the information on either file. The report contains the following information.

- Name & SSN of the case head
- Category (NA or PA)
- Ending date of the certification period
- SSN of member whose income mismatched

Other information will be provided depending on the nature of the change.

The reason for the mismatch is indicated by a code. These codes are listed below.

- 01 - Two individuals on the Recipient Master File (ACES) have the same SSN.
- 02 - Two household members on the Food Stamp Master File (FACTS) have the same SSN.
- 06 - Income which appears on ACES for a household member does not appear on FACTS for the same member.
- 07 - Income which appears on FACTS for a household member does not appear on ACES for the same member.
- 08 - Food stamp benefits would have increased if the case had been recalculated.
- 09 - The new amount of income on the case page of WFSM differs by more than \$2 from the sum of the amounts calculated for members on WFSM. Therefore, case and member's income do not agree.
- 10 - An SSA amount is on FACTS for an SSI recipient, but the SSA is not on ACES for that member.

The following actions must be completed to clear a mismatch:

1. Obtain the case record.
2. Resolve the discrepancy which caused the mismatch.
3. Recalculate the budget using the new income amounts. Verify the new income amount using information available in the county office. (When only SSA is received, calculate the new SSA amount using the current percentage of increase.)
4. Issue an advance notice of adverse action if the household's benefits will decrease or the case will close.

#### 11723 List of Closures

This is a listing of cases closed during the mass change because the net income exceeds the maximum allowed. These reports are generated only to counties where at least one case closure occurred. The following information appears on the report.

- The name and SSN of the case head
- Category (NA or PA)
- Old and new net income amounts

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Each case listed on the report must be examined by a county office worker to ensure the validity of the closure. If the closure is found to be correct, the worker will document that the case has been checked and the closure found to be correct. The worker will initial and date this documentation. No additional action is required since closure notices are issued automatically.

If the closure is incorrect, the case must be reopened. No new application is required.

11730

Administrative Hearing Rights at Mass Change

Households are advised via an automated notice of their rights to an administrative hearing. For valid closures, benefits will be reinstated only if the household feels policy was misapplied or the budget was computed incorrectly.

The household's statement of when the notice was received will be used to determine the 10 day advance notice period during which reinstatement may be requested. In questionable cases, the Food Stamp Section, Central Office, will be contacted to determine the approximate date the notice was mailed.