

Households classified as occasional reporters must continue to report changes within 10 days of the date the change became known to the household. For these households, the threshold for reporting changes in unearned income has changed from \$25 to \$50. (Changes in unearned income must be reported when the income increases or decreases by more than \$50.)

II. Implementation

The new reporting requirements will be implemented 11-01-03. At the end of October, households currently subject to the quarterly reporting requirements will be converted to semi-annual reporting.

All households subject to the semi-annual reporting requirements must be advised of the new limited reporting requirements. Participating households that are currently classified as QR households will be sent a notice advising them of the change in their reporting requirements during the month of October. More information will be provided by screen message when the notices are generated.

After the SR notices are generated, workers must begin notifying households of the change in the reporting requirements at application approval and when September QRs are reinstated. This means that instead of notifying households that they will be subject to quarterly reporting, they will notify households of the new semi-annual reporting requirements. These households will be given or mailed a notice and the new "*Limited Reporting Form*" (DCO-284).

Effective 11-01-03, the following households will be assigned a four-month certification period and notified of the limited reporting requirements.

- Homeless households
- Households with members who are on strike
- Migrant and seasonal farmworkers who expect to remain in Arkansas

These households will be required to report only if the household's total gross income begins to exceed the gross income limit for the household size.

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 Limited Reporting and Semi-Annual Reporting
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Front	1303 to 1304	1303 to 1304
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Front	3521 to 3522	3510 to 3520
Back	3522 to 3524	3521 to 3521

Front	3524.1 to 3531	3526 to 3530
Back	3531 to 3531	none

Front	3532 to 3550	none
Back	3550 to 3600	none

Front	3600 to 3620	3600 to 3610
Back	3620 to 3630	3620 to 3620

Front	3630 to 3640	3620 to 3630
Back	3700 to 3710	3631 to 3640

Front	3710 to 3730	3700 to 3710
Back	3730 to 3740	3710 to 3730

Front	3740 to 3740	3730 to 3740
Back	3750 to 3751	3740 to 3740

Front	None	3750 to 3751
Back	None	None

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*****
Front          4800 to 4810          4800 to 4810
Back           4810 to 4840          4810 to 4840

Front          4840 to 4840          4840 to 4840
Back           4840 to 4850          4850 to 4850
*****
Front          5512.1 to 5514        5512.1 to 5514
Back           5514 to 5515        5514 to 5515
*****
Front          5650 to 5661          5650 to 5661
Back           5662 to 5662.1      5662 to 5662.1
*****
Front          5664.1 to 5670        5664.1 to 5670
Back           5670 to 5680        5670 to 5680

Front          5690 to 5691          5690 to 5691
Back           5700 to 5701          5700 to 5701
*****
Front          6551 to 6552          6551 to 6552
Back           6600 to 6610          6600 to 6610
*****
Front          6626.2 to 6627        6626.2 to 6627
Back           6627 to 6700        6627 to 6700
*****
Front          7100 to 7100          7100 to 7100
Back           7200 to 7200          7200 to 7200
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Front          7431 to 7431          7431 to 7431
Back           7500 to 7510          7500 to 7510
*****
Front          7521 to 7521          7521 to 7521
Back           7522 to 7522          7522 to 7522
*****
Front          8200 to 8220          8200 to 8220
Back           8230 to 8240          8230 to 8240

Front          8240 to 8240          8240 to 8240
Back           8250 to 8250          8250 to 8250

Front          8260 to 8300          8260 to 8300
Back           8300 to 8310          8300 to 8300
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Front          8500 to 8500          8500 to 8500
Back           8500 to 8503          8500 to 8503

Front          8503 to 8504          8503 to 8504
Back           8505 to 8505          8504 to 8505
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Front	8650 to 8700	8650 to 8700
Back	8700 to 8710	8700 to 8710

Front	8720 to 8810	8710 to 8720
Back	8810 to 8830	8810 to 8820

Front	None	8821 to 8830
Back	None	None

Front	9501 to 9510	9500 to 9501
Back	9510 to 9600	9510 to 9600

Front	10100 to 10210	10100 to 10210
Back	10210 to 10300	10210 to 10300

Front	10300 to 10510	10300 to 10510
Back	10510 to 10530	10510 to 10530

Front	10540 to 10600	10540 to 10600
Back	10610 to 10620	10610 to 10620

Front	10620 to 10640	10620 to 10630
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Entire Section	FSC 11000	FSC 11000

Entire Section	FSC 12000	FSC 12000

Front	13000 to 13200	13000 to 13200
Back	13210 to 13300	13210 to 13300

Front	13300 to 13300	13300 to 13300
Back	13300 to 13310	13300 to 13310

Front	15200 to 15200	15200 to 15200
Back	15210 to 15400	15210 to 15400

Front	15400 to 15400	15400 to 15400
Back	15400 to 15400	15400 to 15400

Front	16513 to 16514	16513 to 16514
Back	16514 to 16520	16514 to 16520

SUMMARY OF CHANGES

1. FSC 1303 - This section has been revised to reflect the semi-annual reporting requirements.
2. FSC 1310 - A statement has been added to this section to clarify how to handle a case when the household has moved out of the state.
3. FSC 1320 - The policy about providing instructions to the home has been updated.
4. FSC 1621.7.6 - This section has been revised to reflect the semi-annual reporting requirements.
5. FSC 1925 - This section has been revised to reflect the semi-annual reporting requirements.
6. FSC 3310.3 - This section has been revised to reflect the semi-annual reporting requirements.
7. FSC 3413 - This section has been revised to reflect the semi-annual reporting requirements.
8. FSC 3420 - This section has been revised to reflect the semi-annual reporting requirements.
9. FSC 3501 - This section, which contains information about RTW waiver counties, has been moved forward and renumbered from FSC 3550 to FSC 3501. It has also been updated.
10. FSC 3502 - This section, which contains information about RTW waiver counties, has been moved forward and renumbered from FSC 3560 to FSC 3502. The section has been revised to reflect the semi-annual reporting requirements. Also, a screening guide has been added to help workers determine when a personal exemption should be applied.
11. FSC 3520 - The example has been removed.
12. FSC 3522 - 3525 - These sections which provided explicit instructing for disqualifying individuals for failure to comply with the RTW have been deleted. FSC 3531, FSC 3532 and 3540 have been incorporated into FSC 3530. (All four sections provided information about the reinstatement of an individual disqualified for RTW noncompliance.) FSC 3550 & FSC 3560 have been moved to FSC 3501 & FSC 3502 respectively.
13. FSC 3610 - The instructions for work registering a household member have been revised to include instructions for work registration when a semi-annual report is processed.
14. FSC 3620 - The instructions for making an E&T referral have been revised to include instructions for E&T referral when a semi-annual report is processed.
15. FSC 3631 - The instructions for authorizing transportation reimbursements have been clarified.
16. FSC 3650 - Information was added to clarify that the worker must notify DWE when a food stamp case with an E&T participant closes because the semi-annual report was not processed.

17. FSC 3720 - The instructions for making a Workfare Program referral have been revised to include instructions for making a Workfare Program referral when a semi-annual report is processed.
18. FSC 3740 - The instructions for calculating Workfare Program obligation have been revised to include instructions for making a calculating Workfare Program obligation when a semi-annual report is processed.
19. FSC 4840 - The statement about vehicle exclusions applying to certification periods beginning after July 1, 2001 is outdated. It has been removed.
20. FSC 4850 - This section has been revised to remove outdated instructions about vehicle exclusions and to reflect the semi-annual reporting requirements.
21. FSC 5514 - The threshold for verifying reported changes in earned income has been changed from \$25.00 to \$50.00.
22. FSC 5662 - Instructions have been added for handling self-employment income received by households subject to the limited reporting requirements.
23. FSC 5662.1 - Instructions have been added for handling self-employment income received by households subject to the limited reporting requirements.
24. FSC 5680 - The example has been revised to reflect semi-annual reporting rather than quarterly reporting.
25. FSC 5691 - Instructions have been added for handling self-employment income received by households subject to the limited reporting requirements.
26. FSC 6552 - This section has been revised to reflect the semi-annual reporting requirements.
27. FSC 6627 - This section has been revised to reflect the semi-annual reporting requirements.
28. FSC 6628 - The policy has been updated by removing outdated information about the shelter deduction amounts.
29. FSC 7100 - This section has been revised to reflect the semi-annual reporting requirements.
30. FSC 7200 - This section has been revised to reflect that individuals who don't furnish information about disability are work-registered. The application will not be denied.
31. FSC 7431 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
32. FSC 7522 - This section has been revised to reflect the semi-annual reporting requirements.

33. FSC 8240 - Item 10 has been revised to reflect the limited reporting requirements.
34. FSC 8310 - This section has been deleted.
35. FSC 8500 - This section has been updated to mention use of the *Request for Verification* (DCO-191).
36. FSC 8503 - The time frames for denying applications have been clarified.
37. FSC 8505 - This section has been revised to reflect the limited reported and the semi-annual reporting requirements.
38. FSC 8506 - This section has been updated to mention use of the *Request for Verification* (DCO-191) and to clarify the application processing time frames.
39. FSC 8520 - This section has been updated to mention use of the *Request for Verification* (DCO-191) and to clarify the application processing time frames.
40. FSC 8710 - This section has been rewritten to: expand the conditions under which a 24-month certification period may be assigned; to incorporate the 4-month certification periods to be assigned to some limited reporting households, and to limit the households to be assigned a one or two month certification period.
41. FSC 8720 - The section has been revised to incorporate the new rules for assigning certification periods.
42. FSC 8820 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
43. FSC 8821 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
44. FSC 9510 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
45. FSC 10210 - The statement that information must be supplied within 10 days has been removed. Also, the statement about manually issuing DCO-239s when a QR is reinstated has been removed.
46. FSC 10520 - The section has been revised to clarify when a case will be denied for failure to appear for an interview or failure to provide information requested at the interview.
47. FSC 10550 - The benchmark for verifying income changes has been changed to \$50.
48. FSC 10610 - Additional information has been added to this section to clarify the time frames for verification at recertification.

49. FSC 10620 - Additional information has been added to this section to clarify the conditions under which a household will be allowed up to provide information after the end of the current certification period.
50. FSC 10630 - The first and second paragraphs were revised to clarify when to request an interview at a midpoint review.
51. FSC 10640 - This section, "Adjusting the BD Date", was deleted effective 10-01-03.
52. FSC 10650 - Additional information has been added to clarify the time frames for denying timely filed applications for recertification.
53. FSC 11100 - This section was updated section with the new limited reporting requirements.
54. FSC 11120 - Information about closing cases for failure to cooperate with field investigators and for failure to supply information needed to prepare an overpayment has been removed from this section.
55. FSC 11200 - This section has been updated with the new limited reporting requirements and the increase in the reporting limit for unearned income to more than \$50. Also a note was added to clarify how to handle a case when the household has moved out of the state.
56. FSC 11310 - The new requirement for reporting gross income over the household's limit has been added to this section.
57. FSC 11320 - The statement that most categorically eligible households are subject to occasional reporting has been removed.
58. FSC 11330 - This section, which explained the reporting requirements of PA households, has been deleted.
59. FSC 11340 - This section has been rewritten. It now explains the limited reporting requirements.
60. FSC 11341 - This section now explains the reporting requirements of households certified for four months.
61. FSC 11342 - This section now explains the reporting requirements of semi-annual reporting households.
62. FSC 11350 - The definition of an occasional reporting household has been revised to remove any information about quarterly reporting households.
63. FSC 11420 - The threshold for verifying reported changes in unearned income has been revised from changes of more than \$25 to changes of more than \$50.

64. FSC 11430 - Instructions for shortening certification periods on the FACTS system have been removed.
65. FSC 11460 - The chart has been updated to reflect the new \$50 threshold for reporting and verifying unearned income changes.
66. FSC 11500 - This section has been rewritten to reflect the semi-annual reporting requirements.
67. FSC 11510 - This section has been rewritten to reflect the semi-annual reporting and limited reporting requirements.
68. FSC 11520 - This section has been rewritten to reflect the semi-annual reporting requirements.
69. FSC 11530 - This section has been rewritten to reflect the semi-annual reporting requirements.
70. FSC 11531 - This section has been rewritten to reflect the semi-annual reporting requirements.
71. FSC 11540 - This section now contains instructions for completion of the semi-annual report.
72. FSC 11550 - This section now provides information about the verification to be submitted with semi-annual reports.
73. FSC 11560 - This section has been rewritten to reflect the semi-annual reporting requirements.
74. FSC 11561 - This section has been rewritten to reflect the semi-annual reporting requirements.
75. FSC 11562 - This section has been rewritten to reflect the semi-annual reporting requirements.
76. FSC 11570 - This section has been updated to reflect the new semi-annual reporting requirements.
77. FSC 11571 - This section has been updated to reflect the new semi-annual reporting requirements.
78. FSC 11580 - This section has been updated to reflect the new semi-annual reporting requirements.
79. FSC 11620 - This section has been revised to clarify the circumstances under which an interview may be requested at the time of a midpoint review.

80. FSC 12100 - This section has been revised to reflect the semi-annual reporting requirements.
81. FSC 12110 - The statement about the TEA sanction ending in three months has been removed.
82. FSC 12110.2 - The chart that specifies the sanction period has been revised to comply with current TEA policy.
83. FSC 12110.3 - The statement about handling earned income at the time of a voluntary quit has been removed.
84. FSC 12210 - This section has been revised to reflect the semi-annual reporting requirements.
85. FSC 12211 - A statement has been added to this section to clarify how to handle a case when the household has moved out of the state.
86. FSC 12221 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
87. FSC 12222 - The revised instructions for referring certain household members to the E&T Program have been added to this section.
88. FSC 12226 - The instructions for keying a change when a household division occurs have been removed.
89. FSC 12227 - The *Request for Assistance* has been added as the food stamp application form.
90. FSC 12232 to 12233 - These sections have been updated to reflect current policy.
91. FSC 12241 - This section has been updated to reflect current policy and also to reflect the new limited reporting and semi-annual reporting requirements.
92. FSC 12251 - This section has been revised to reflect the semi-annual reporting requirements.
93. FSC 12252 - This section, which dealt with the process for keying a change to FACTS, has been deleted.
94. FSC 12260 - Instructions for keying a change to FACTS have been deleted.
95. FSC 12270 - References to quarterly reporting have been changed to semi-annual reporting.
96. FSC 12300 - This section has been revised to reflect the limited reporting requirements.
97. FSC 12330 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.

98. FSC 12400 - Information about the FACTS system has been removed.
99. FSC 12410 - This section has been revised to reflect the limited reporting requirements.
100. FSC 12420 - This section has been updated to reflect the limited reporting requirements.
101. FSC 12430 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
102. FSC 12440 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
103. FSC 12450 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
104. FSC 12460 - This section has been revised to reflect the limited reporting and semi-annual reporting requirements.
105. FSC 13200 - This section has been revised to reflect the semi-annual reporting requirements.
106. FSC 13300 - This section has been revised to reflect the semi-annual reporting requirements.
107. FSC 13310 - This section has been revised to reflect the semi-annual reporting requirements.
108. FSC 15400 - This section has been revised to reflect the semi-annual reporting requirements.
109. FSC 16515 - This section has been revised to reflect the semi-annual reporting requirements.

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1303 Requests to Participate in a Service County

10-01-03

1

When a household requests a transfer to an alternate service county, the request will be evaluated to determine if the household is entitled to service in an alternate county. If not, the request will be denied. The household will be notified of this decision via a *Notice of Action* (DCO-1). If yes, the request will be approved. The household's records will be transferred to the service county with a copy of the *Request for Service in Alternate County* (DCO-74).

When a change is reported, a semi-annual report is submitted, or another case action is initiated prior to the request for transfer, the case action must be completed prior to the transfer. This includes fraud or field investigations initiated prior to the request for transfer. It also applies to cases undergoing a quality assurance review.

The household will not be required to submit a new application for food stamp benefits in the service county. Instead, the case will be reinstated. Upon receipt of the case record, a DCO-1 will be issued to provide the household with the county office's address, telephone number and other pertinent information.

1304 When an Alternate Service County is Requested at Application

10-01-97

When a household submits an application in the residence county and asks to receive service in a different county, the application will be processed by the residence county. If the application is approved, the case will be transferred to the desired service county.

Households submitting an application in the desired service county must complete a *Request for Service in Alternate County* (DCO-74). A copy of the request will be furnished by the service county to the residence county. The residence county will evaluate the request to determine if the household may participate in the Food Stamp Program through a service county. If so, the household's case record, if there is a case record in the residence county, will be furnished to the service county.

Both the service county and the residence county must cooperate in the process of determining if the household will be allowed to participate in the service county. Particular attention should be paid to initial applications to ensure a proper determination is made.

Should the household be restricted from participating in the desired service county, the application will be transferred back to the residence county. Even if the household is restricted from participating in a service county, the date of the application will remain the same as the date the application was submitted to the service county.

1310 Household Does Not Meet Residency Requirements

10-10-03

2

If an applicant does not live in Arkansas, the application will be denied, and the household will be advised to apply in its state of residence.. Case records are not sent out of the state.

NOTE: If a county office worker establishes through any source that a household has moved from Arkansas to another state, the household's case must be closed. This policy applies across the board to all food stamp households regardless of the household's reporting requirements. No advance notice is required. See FSC 11450 and FSC 11571. If the worker suspects the household has moved from the State, a request for contact will be sent as instructed in FSC 12400.

1320 Addresses

10-01-03

3

Each application must contain a complete and correct address. It is also essential that the county office know how to locate the household if a home visit, field investigation or quality assurance review is to be conducted. Instructions about how to locate the home must be documented in ANSWER.

1330 Verification of Residency

10/01/97

Verification of residency will be obtained at initial application and thereafter when information regarding residency is incomplete, inaccurate, inconsistent or outdated. See the *Glossary*, definition of "Verification" for additional information.

Verification may be waived when such verification cannot reasonably be accomplished. For example, verification may be waived when newly arrived households, migrant households, or homeless individuals submit an application. A home visit may be in order for such households. See the definition of "Verification" in the *Glossary*, for an explanation of a home visit as a part of the application process.

No specific source of verification of residency is mandated. Acceptable verification includes rent receipts, mortgage payment books, utility receipts, or a driver's license if these documents contain the applicant's current physical address. Current utility receipts or receipts for utility deposits are preferred. (These items may also serve as verification of identity or expenses.) If verification of residency cannot be established through these sources, collateral contacts or other readily available documentary evidence that reasonably establishes the household's residency must be accepted. Failure or refusal to provide verification of residency will result in denial of the food stamp application for non-expedited households.

NOTE: For individuals who sponsor more than one alien, the deemed income will be prorated among the aliens who have applied to participate or who are actually participating in the Food Stamp Program.

Any money paid by the sponsor or the sponsor's spouse to an eligible sponsored alien will be counted as income in the household food stamp budget only to the extent this money exceeds the amount deemed to the sponsored alien.

1621.7.5 Changes in Sponsors

6-15-98

If the alien changes sponsors during the certification period, he or she must report the change to the county office within ten days and verify the following information regarding the new sponsor:

- Name, address and telephone number
- Resources and income

Within ten days of the report, the alien's eligibility will be re-determined based upon the new sponsor's income and resources. If the action adversely affects the alien, a notice of adverse action must be issued at least ten days before the effective date of action.

1621.7.6 Reporting Changes in Sponsor's Income

10-01-03

The sponsored alien must report to the county office the following changes in the sponsor's income within ten days of the day the change becomes known:

- Change in employment
- Loss of employment
- Acceptance of new employment.

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(Exception - semi-annual reporting households may report these changes on the first semi-annual report submitted after the change.)

The deemed income must be recalculated to reflect these changes. If the reported change results in a decrease in benefits or case closure, a notice of adverse action must be issued. Verification of reported changes in the sponsor's income or spouse's income is required.

1621.7.7 Verification From the Sponsor

10-01-03

During the period that the alien is subject to deeming, the eligible sponsored alien is responsible for:

- Insuring the cooperation of the sponsor.
- Providing to the DHS county office at the time of application and at the time of recertification with the information necessary to deem the sponsor's income and resources.

- Providing the names of the other aliens sponsored by the alien's sponsor. (*Other identifying information may also be requested if needed. If the information needed to identify other sponsored alien is not provided, all of the sponsor's income and resources will be deemed to the alien as instructed in FSC 1621.7.4.*)

If the sponsored alien refuses to cooperate in providing information or verification, other adult members of the alien's household are responsible for providing such information or verification. If the other adult members of the household also refuse to cooperate, the application will be denied.

When the sponsored alien is cooperating but cannot obtain the needed information from the sponsor, the county office worker must assist by attempting to obtain the needed verification from the sponsor. This may include contacting the sponsor directly to request such information.

If the worker cannot determine the sponsor's income or resources due to lack of information or verification, the sponsored alien is ineligible and the deemed income and resources of the sponsor will not be counted in the budget. However, a prorata share of the alien's income and resources will be counted in the household's food stamp budget. See FSC 1621.6.

If later in the certification period the household presents the necessary verification, the household's food stamp budget will be recalculated adding the sponsor's deemed income and substituting the full amount of the alien's income for the prorated amount. A notice of action (DCO-1) will be issued if the case will be closed or the food stamp benefits will be reduced. These actions will be taken within ten days of the day the required verification was provided by the alien.

If the ineligible alien is the only household member, the application will be denied. If the same sponsor is responsible for all the household members, the application will be denied.

1621.7.8 Notices

6-15-98

Approval and denial notices to households containing sponsored aliens must be issued manually. Such notices will contain, in addition to all mandatory information, the amount of the sponsor's income and resources that has been deemed to the alien.

When an application for a household containing a sponsored alien is approved, a letter will be sent to the sponsor. Any letter drafted by the county must contain all information contained in this sample:

Sample

The household of _____ has been certified for participation in the Food Stamp Program. Eligibility in the program is based upon financial information provided by you and/or your spouse.

Please be advised that you and/or your spouse may be held liable for repayment of any overpayment of benefits resulting from incorrect information that you furnished.

1924 When to Classify Categorically Eligible Households

12-01-00

If all household members receive SSI, if all members receive TEA cash assistance, or if all members receive a combination of TEA cash assistance and SSI benefits, the case will be classified as a categorically eligible household immediately. Otherwise, the county office worker must determine if a household is categorical eligibility if:

- An application for food stamp benefits is about to be denied because the household has resources or income over the Food Stamp Program limits; or
- A food stamp case is about to be closed because the household has resources or income over the Food Stamp Program limit.

Any food stamp application denied or any food stamp case closed due to excess resources or income must contain documentation that the household is not categorically eligible. To assist in the process of applying these rules to households with excess resources of income and documenting the result, a *Categorical Eligibility Test* (DCO-128) will be used. (The DCO-128 may be accessed through DHS GOLD.) A DCO-128 must appear in all food stamp denials and closures if the basis of the denial is excess income or resources.

Households denied benefits due to excess income or resources will be issued a manual denial notice. The notice must state that if any household member begins receiving TEA benefits, the household may become categorically eligible and that the household may apply for food stamp benefits.

1925 Verification of Categorical Eligibility

10-01-03

For all households, the household's categorical eligibility status will be re-determined when the food stamp case is adjusted to remove the cash assistance payment amount unless these benefits are being recouped or suspended. If the household continues to be categorically eligible due to receipt of or authorization to receive non-cash TEA benefits through the DHS County Office, the food stamp case will not be closed due to excess resources or income. If the household is no longer categorically eligible, the case will be closed if the household's income or resources exceed Food Stamp Program limits.

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For households receiving or authorized to receive non-cash TEA benefits through the DHS County Office (even if these benefits are being recouped or have been suspended), the household's categorical eligibility status will be reviewed when the semi-annual report is submitted. If the household is not subject to semi-annual reporting, categorical eligibility will end when the household stops receiving TEA benefits unless these benefits are being recouped or suspended. Each county should devise some method of monitoring categorically eligible cases so that ineligible households do not continue receiving food stamp benefits when categorical eligibility ends.

If questionable, the worker will verify that the household contains at least one member who receives a TEA benefit authorized through the DHS County Office or contains only members who are SSI recipients. If questionable, the worker will also verify that the household meets the definition of a household as provided in FSC 1630.

1930 Regular Households

6-15-98

Regular households are all food stamp households that meet neither the aged/disabled criteria nor the categorical eligibility criteria.

3310.2 Work Registration - Occasional Report

11-01-02

If the worker can determine based solely on information available on the change report or in the case record that the member must be work registered, the *Notification of Work Registration* (DCO-260) will be completed without additional contact with the household. It is permissible to contact the household by telephone to clarify the work registration status of the member and to complete the DCO-260. The information obtained by telephone should be documented in the case record.

If the needed information cannot be obtained by telephone, the household will be issued a request for contact using a *Notice of Action* (DCO-1). The request for contact will advise the household that if the information needed to complete the work registration is not provided, the non-compliant household member will be disqualified as per FSC 3412. See FSC 12400 for instructions on issuing a request for contact.

3310.3 Work Registration at Semi-Annual Report

10-01-03

If the worker cannot determine if a member should be work registered based on the information on semi-annual report, the worker should attempt to contact the household by telephone to avoid a delay in form processing. If the needed information cannot be obtained by telephone, a *Notice of Required Verification* (DCO-218) will be issued to the household. The household must have at least 10 days to respond to the request for information; therefore, the DCO-218 must be returned before the end of the report month or within 10 days, whichever is later. A *Notification of Work Registration* (DCO-260) will be completed and issued to the household when work registration occurs.

If the household does not return the DCO-218 within the specified time frames, the member will be disqualified per FSC 3412. An adequate notice will be issued to the household to advise the household of the effects of the disqualification.

3320 Work Registration Priority

11-01-02

Work registration exemptions will be assigned in the following order:

- Age.
- Physically or mentally unfit.
- Care of a dependent child under age 6 or an incapacitated person.
- In receipt of unemployment compensation.
- Participating in a drug addiction or alcoholism treatment program.
- Employed or self-employed full time.
- Student age 18 or older.
- Receiving TEA cash assistance.

Example A household member is age 62 and physically disabled. The work registration exemption assigned is for age.

Example A household member who is receiving TEA cash assistance has a dependent child age 2. The work registration exemption assigned is for dependent care.

3400 Compliance With Work Registration

11-01-02

Work registrants must:

1. Participate in a workfare program if referred through the Food Stamp Program;
2. Respond to any request from a county office worker for information regarding employment status or availability for work;
3. Accept a bona fide offer of suitable employment at a wage not less than the higher of the applicable state or federal minimum wage.
4. Continue employment at a suitable job.
5. Avoid voluntarily reducing one's work effort to less than 30 hours per week.

An individual who is exempt from work registration solely due to receipt of unemployment benefits (see FSC 3260) and who fails to comply with comparable ESD work registration requirements will be subject to sanction in the Food Stamp Program.

3401 Work Registration Violation

11-01-02

A work registration violation is:

- Refusal, without good cause, to accept an offer of employment at a site or plant that is not subject to a strike or lockout at the time of the refusal at a wage not less than the applicable federal or state minimum wage; or
- Refusal, without good cause, to provide sufficient information to allow a determination of employment status or job availability; or
- Voluntarily and without good cause, reducing one's work effort to less than thirty hours per week; or
- Voluntarily quitting a job without good cause within 30 days prior to the date of application or at any time while the individual who quit was participating in the Food Stamp Program.

3401.1 Special Instructions for Voluntary Quits

11-01-02

A voluntary quit is defined as the intentional departure of an employee from a suitable job without good cause. The voluntary quit provisions do not apply to changes in employment resulting from:

- Reducing hours of employment while working for the same employer;
- Resignations recognized by the employer as retirement;
- Termination of a self-employment enterprise; or
- Resigning at the demand of the employer.

Any other employment offered to a particular registrant will be considered suitable unless a registrant can demonstrate or the local office otherwise becomes aware that:

- The degree of risk to health and safety is unreasonable;
- The registrant is physically or mentally unfit (as established by documentary medical evidence or other documented and reliable information) to perform the employment;
- Employment offered within the first 30 days of registration is not in the registrant's major field of employment;
- The working hours or nature of employment interferes with the member's religious observances, convictions, or beliefs - e.g. a Sabbatarian could refuse to work on the Sabbath; or
- The distance between the registrant's residence and the place of employment is unreasonable considering the expected wage and the time and cost of commuting. In any case, employment will not be considered suitable if daily commuting time exceeds two hours per day not including the transportation of a child to and from a child care facility. Employment is also considered unsuitable if the distance from the registrant's residence is not within reasonable walking distance and neither public nor private transportation is available.

When evaluating a voluntary quit, good cause may also be:

1. Acceptance of any bonafide offer of employment that subsequently fails to materialize.
2. Resignation of a household member when another household member accepts an offer of employment resulting in a need for the household to relocate.
3. Enrollment at least halftime in any recognized school, training program, or institution of higher education.
4. Any resignation recognized by the employer as retirement.
5. Discrimination by the employer based on age, race, sex, color, handicap, religious beliefs, national origin, or political beliefs.
6. Work demands or conditions that render continued employment unreasonable such as, but not limited to, working without being paid on schedule.
7. Employment that becomes unsuitable, as defined above, after the acceptance of such employment.
8. Leaving a job in connection with a pattern of employment where a worker frequently moves from one employer to another – e.g., migrant farm labor or construction work.

There will be situations not specifically mentioned where the worker feels that there was good cause for a voluntary quit. In such situations the county office will seek a policy interpretation through the normal chain of command. All such situations will be documented in the case record.

3412 Applying Sanctions

01-01-99

When an eligible household member fails to comply with a work registration requirement while the household was participating in the Food Stamp Program, the county office worker will complete the following steps.

Step 1 - Determine if the household member is still subject to the work registration requirements. Use FSC 3200 - 3300. If no, document this fact in the case record. Document any verification obtained if verification of the exemption is necessary. Take no additional action. No sanction will be applied. If yes, go to Step 2.

Step 2 - Determine if the member had good cause for failure to comply. If yes, document the good cause in the case record. Take no additional action. No sanction will be applied. If no, disqualify the member. See FSC 1623.2.

3413 Applying Sanctions at Voluntary Quit or Reduction of Work Hours 10-01-03

Whenever a loss of earned income is reported at initial application, reapplication, reported change, or on a semi-annual report the worker must determine if sanctions are to be applied. Sanctions may be applicable when a household member voluntarily quits a job within 30 days of the date of application or at any time while the individual is participating in the program. (NOTE: A federal, state or local government employee dismissed from a job as the result of a strike is considered to have voluntarily quit the job without good cause.) Sanctions may be applicable when a household member voluntarily reduces his or her work effort to less than 30 hours per week.

If an individual quits employment of 30 hours or more per week, secures new employment expected to be 30 hours or more per week and is then laid off or terminated from the new job, the earlier quit will not be used as the basis of a disqualification. This statement is true for both applicant households and participating households.

Sanctions are also applicable when a voluntary quit or voluntary reduction in work hours occurs but is not reported in a timely fashion. This includes, but is not limited to the following instances:

- A voluntary quit or reduction in work hours occurs 30 days or less before the date of application, is not reported at application and is discovered after application approval.
- A voluntary quit or reduction in work hours occurs after the date of the application interview and is reported after the approval notice is issued.
- A voluntary quit or reduction in work hours occurs while the household is participating but is not reported in a timely fashion.

The following steps must be completed to determine if a voluntary quit has occurred and a sanction should be applied.

Step 1 - Determine if the employment involved 30 hours or more per week or provided weekly earnings equivalent to the Federal minimum wage of \$5.15 multiplied by 30 hours. If yes, go to step 2. If no, the household will not be sanctioned.

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- Step 2 - Determine if the member who quit is between the ages of 16 and 60. If this member is less than age 16 or age 60 or older, a sanction will not be applied. If this member is between the ages of 16 and 59, go to step 3.
- Step 3 - Determine if the member who quit or reduced work hours is subject to the work registration requirements. Use FSC 3200 - 3290. If this member was exempt from the requirements at the time the quit occurred (excluding the exemption for employment) or is presently exempt, no sanction will be applied. If the member who quit is subject to work registration, go to step 4.
- Step 4 - Determine if the quit or reduction in hours was for good cause. Use FSC 3411. If yes, the member will not be sanctioned. If no, the member will be sanctioned. See FSC 3420 for the applicable sanction.

The period of disqualification will apply only to the individual or individuals who failed or refused to comply. Only if all individuals are disqualified will the worker close the household's food stamp case. To disqualify an individual household member, the worker must recalculate the household's budget as instructed in FSC 1623.2.

3414 Applying Sanctions for Failure to Comply with ESD

11-01-02

When a worker becomes aware that entitlement to unemployment checks has been denied or terminated or that TEA cash assistance has been reduced or terminated, the following steps will be taken:

- Step 1 - Determine if the member was exempt solely due to receipt of unemployment benefits or TEA cash assistance. If the member is otherwise exempt from the work registration requirements, no action will be taken. (For example, a member responsible for the care of a dependent child age 4 fails to comply with an TEA work requirement. Since the member is exempt under the dependent care provisions, no sanction will be applied to the food stamp household.) If not, go to step 2.
- Step 2 - If the member was exempt solely due to receipt of unemployment benefits or TEA cash assistance, determine if the registrant had good cause for failure to comply. (See FSC 3411 for an explanation of good cause.) If the member had good cause for failure to comply, no action will be taken. If not, go to Step 3.
- Step 3 - If the member did not have good cause, disqualify the member. See FSC 1623.2.

3420 **When to Impose a Sanction**

10-01-03

At application, the sanction will be imposed effective with the month of application regardless of whether the application is approved. For a participating household, a notice of adverse action must be issued to the household prior to the imposition of a sanction. See FSC 3430. Unless the household is in the last month of certification and has not been recertified, the sanction will be imposed beginning the month following the month in which the notice of adverse action expired.

Example - A household is certified for July through December. On August 16, the county office worker becomes aware of a voluntary quit. On August 23, the worker issues a ten-day advance notice of adverse action expiring on September 2. The disqualification period will be October, November and December.

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If a household is subject to semi-annual reporting (SR), and is in the sixth month of the certification period, the sanction will be imposed beginning the following month if possible. If the semi-annual report has been received but not processed when the worker learns of the noncompliance, the semi-annual report will not be processed until the ten-day period has lapsed. If the semi-annual report has already been processed, an advance notice of adverse action must be issued. The sanction will be imposed beginning the month following the month in which the notice of adverse action expired.

If the household is in the last month of certification and an application for recertification has not been approved, the sanction will be imposed for the first month of the certification period. This is true even when the household has not submitted an application for recertification.

Example - A household is certified for July and August. On August 28, the worker becomes aware of a voluntary quit. On August 31, the worker approves the household's application for recertification but disqualifies the non-compliant member for the months of September, October and November. A manually issued *Notice of Action* (DCO-1) is used so the household may be advised of the disqualification.

3430 **Notices**

11-01-02

Within 10 days of establishing that any participating household member who failed or refused to comply with a work registration requirement without good cause, a notice must be issued to the household.

Unless the household is in the last month of certification, the notice must be sent at least ten days before the effective date of the imposition of the sanction. If the household is in the last month of certification, the timing of the notice will depend on the case's status.

If the household has submitted an application for recertification that has already been approved, a ten-day advance notice of adverse action must be sent. If the household has submitted an application for recertification that has not yet been approved, the sanction will be imposed before action is taken on the application and a *Notice of Action* (DCO-1) manually issued to explain the effects of the sanction. Even if no application has been submitted, a DCO-1 must be issued to the household to explain the sanction period and the effects of the sanction.

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3501 **Waivers**

10-01-03

The Department of Agriculture, Food and Nutrition Service, has granted permission for the State to waive the Food Stamp Program Requirement to Work (RTW) in certain areas where the current unemployment rate is higher than 10 percent. The State has also been granted permission to waive the RTW in areas designated as labor surplus by the Department of Labor, Bureau of Labor Statistics.

These waivers are not permanent. Any county affected by such a waiver will be notified of the terms of the waiver and will be provided with instructions for implementing the waiver.

RTW waivers are applicable to individuals who actually live in an area covered by the waiver. An individual who lives in a labor surplus area but who has elected to receive services in another county will be exempt from the RTW. An individual who lives in an area where there is no RTW waiver is subject to the RTW even if he or she chooses another county as their service county.

For tracking purposes, an individual who may be subject to the RTW does not need to be identified in counties where the RTW has been waived. However, an individual who receives services in a waived county but actually lives in a county where the RTW applies must be tracked.

If an individual physically moves into an area covered by a RTW waiver, the individual becomes exempt from the RTW. Disqualification for failure to comply with the requirement will no longer apply. If an individual moves from an area covered by an RTW waiver into an area where the waiver does not apply, the requirement will apply again.

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3502 **Personal RTW Exemptions**

10-01-03

FNS grants each state a certain number of RTW exemptions to be applied in areas not covered by a RTW waiver. The State of Arkansas has chosen to apply these exemptions across the board to all individuals who are subject to the RTW and reside in an area not covered by a RTW waiver.

In counties with no RTW waiver, whenever an application, semi-annual report or reported change is processed, the worker must determine if any household member classified as an ABAWD (able-bodied adult without dependent children) will be granted an exemption from the RTW requirement. To be classified as an ABAWD, an individual must be at least 18 years old but no older than 49 years old. The individual must not be disabled or the parent of a minor child (under age 18) who is living in their home. A "YES" answer to any of the questions listed below gives an individual a policy exemption to the RTW waiver.

- Is this member a full-time student? YES NO
- Is this member receiving unemployment benefits? YES NO
- Is this member pregnant? YES NO
- Is this member participating in a drug addiction and/or alcoholism treatment program on an in-patient or out-patient basis? YES NO
- Does this member care for an incapacitated adult? YES NO
- Is this member working an average of 20 hours or more per week? YES NO
- Does this member attend a job-training program as specified in FSC 3500? YES NO

A "NO" answer to all the questions listed above means that the county office worker will grant this individual a "personal exemption" from the RTW. The exemption will last for **TWELVE MONTHS OR UNTIL THE INDIVIDUAL BECOMES EXEMPT FROM THE RTW, WHICHEVER COMES FIRST**. The decision to exempt an individual from the RTW must be documented in the case record.

Counties must track each food stamp recipient granted a personal exemption from the RTW so that we can maintain an accurate record of these exemptions. The county may track this information manually or by using a PC based system. Any system devised should track, at a minimum, the name and social security number (SSN) of the exempted individual and the date of the exemption.

Each month, the county must submit to the Food Stamp Section, Central Office, a report of the total number of personal RTW exemptions granted during the month. (It is not necessary to submit the names and SSNs of exempted individuals.) The report should be submitted by the 10th of each month for the prior calendar month. The report may be e mailed or faxed to the Manager of the Food Stamp Program. The fax number in the Food Stamp Section is (501) 682-1469.

3510 Establishing the RTW 36 Month Compliance Period

11-01-02

The 36 month RTW compliance period must be established on an individual basis for each food stamp recipient between the ages of 18 and 49 unless the individual is pregnant, the parent of a dependent child under the age of 18, or disabled as defined in the Glossary, definition of Aged/Disabled Household. Once established, a 36 month RTW compliance period runs continuously regardless of whether the individual participates in the Food Stamp Program.

The RTW compliance period begins with the first month of participation, other than months in which retroactive or restored benefits are authorized, and ends 36 consecutive calendar months later. This includes months in which a prorated benefit amount was issued. It does not include months in which benefits were not issued because the prorated amount was less than \$10.00.

Example 1 - A household was certified on September 23, with September as the first month of the certification period. For household members subject to the RTW, the first month of the RTW compliance period is September.

Example 2 - A household was certified on November 3 with September as the first month of the certification period. Retroactive benefits were authorized for September and October. For household members subject to the RTW, the first month of the RTW compliance period is November.

For individuals who have been living in another state, the RTW compliance period will begin when the individual is certified to receive food stamp benefits in Arkansas. This applies regardless of whether the individual received food stamp benefits in the other state. It also applies if the individual previously lived in Arkansas and had a 36-month period established during the previous residency.

For individuals added to existing food stamp cases, the 36 months RTW compliance period begins the month the individual first participates in the Food Stamp Program. If an individual moves from the one household to another, the original RTW compliance period will continue uninterrupted until its conclusion.

See the chart below for establishing an RTW compliance period for people who lose an RTW exemption.

Individual turns 18.	The month after the 18 th birthday.
Individual's youngest child turns 18 or all dependent children leave the home.	The month after the child turns 18 or leaves the home.
Individual no longer disabled.	The month after it has been established that the disability has ended.
Woman no longer pregnant but there is no dependent child in the home.	The month after the woman becomes able to work.

Any period of participation in the Food Stamp Program while an individual is exempt from the Requirement to Work (RTW) will not count toward the individual's three-month participation limit. However, once a 36-month compliance period has been established it runs continuously regardless of whether the individual later becomes exempt from the RTW and then loses that exemption.

Example - A young lady turns 18 in April 2002. Her 36-month period of compliance began May 2002. In July 2002, she reports that she is two months pregnant. In August 2002, she miscarries. She is able to work again in September 2002. Her 36-month period of compliance still began in May. However, her only month of non-compliance is May.

3520 Disqualifying Individuals Who Fail to Comply

10-01-03

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At application (except for first time applicants), at recertification, or when processing a semi-annual report or reported change, the DCO county worker must evaluate the RTW status of all nonexempt household members who do not live in an area where the RTW is waived. (See FSC 3501 for an explanation of RTW waivers. See FSC 3502 for an explanation of personal exemptions.) Any nonexempt member who has **participated** in the Food Stamp Program for three months, consecutive or not, since the beginning of that individual's 36 month RTW compliance period without meeting the RTW will be ineligible to participate in the Food Stamp Program.

If the individual who is disqualified due to failure to comply with the Requirement to Work (RTW) is the only household member, the food stamp case will be closed. If other household members remain eligible, the instructions in FSC 1623.2, items 1-3, will be used to determine the household's monthly food stamp benefit amount. The disqualification will continue until the end of the designated 36-month period or until the member regains eligibility. See FSC 3531-3632.

3521 Evaluating Whether to Impose a Penalty

01-01-99

The following checklist may be used to evaluate whether a penalty must be imposed against an individual for failure to comply with the Requirement to Work (RTW).

Step 1 - *(Check all that apply.)* Does this individual meet any RTW exemption listed below?

- Under age 18
- Age 50 or older
- Medically certified as disabled to work
- Parent of a child age 17 or younger
- Pregnant
- Exempt from work registration requirements per FSC 3200
- Working more than 20 hours per week on an average
- Given personal exemption per FSC 3560
- If any *exemption is checked, stop. If no exemption is checked, go to Step 2.*

Step 2 - *(Check one.)* Has this individual participated in the Food Stamp Program for at least three months, consecutive or not, since he or she was notified of the RTW?

- YES NO
If *NO*, stop. If *YES*, go to step 3.

Step 3 - *(Check all that apply.)* During any of those months, did this individual:

- Work at least 20 hours per week on an average?
- Participate in and comply with a WIA Program at least 20 hours per week?
- Participate in and comply with a TRA Program at least 20 hours per week?
- Participate in and comply with an E&T Program other than job search at least 20 hours per week?
- Participate in and comply with a Workfare Program?
- If any block is checked, go to Step 4. If none of the blocks are checked, the individual will be disqualified.

Step 4 - (Check one.) Has the individual participated for three or more months when the RTW was not met? Include months of participation prior to this case action but after the 36 month period began.

- YES NO
If YES, disqualify the individual.
If NO, enter the number of total months (one or two) the individual has already participated without meeting the RTW.

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- 1. FSC 3522, 3522.1, 3523, 3523.1, 3524, 3524.1, and 3525 Were Deleted Effective 10-01-03.**
 - 2. FSC 3531, 3532, and 3540 Were Included in FSC 3530 Effective 10-01-03.**
 - 3. FSC 3550 and FSC 3560 Were Renumbered Respectively as FSC 3501 and FSC 3502 Effective 10-01-03.**

3526 Notices

01-01-99

If any member is disqualified for failure to comply with the RTW, the household will be notified:

- Why the member has been disqualified;
- How the member may comply with the RTW;
- That the household must advise the county if this member complies with the RTW;
- Who is exempt from the RTW; and
- That the household must advise the county if this member becomes exempt from the RTW.

If any member is disqualified presumptively, the household will also be notified:

- When the disqualification will be imposed; and
- That the disqualification may be avoided if the household member complies with the RTW or becomes exempt from the RTW before the specified date.

3530 Regaining Eligibility

10-01-03

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Individuals denied food stamp eligibility for failure to comply with the RTW can regain eligibility at any time if they become exempt from the RTW. See FSC 3900 for a list of individuals who are exempt from the RTW.

Any individual denied food stamp eligibility for failure to comply with the RTW can regain eligibility for a three consecutive month period if during a 30-day period the individual:

- Works 80 hours or more; or
- Participates in and complies with a WIA Program for 80 hours or more; or
- Participates in and complies with a Food Stamp E&T Program requirement other than a job search or a job search training program for 80 hours or more; or
- Participates in and complies with a Workfare Program under Section 20 of the Food Stamp Act or a comparable state or local program for any number of hours.

Once the individual has regained eligibility and the three-month period has begun, the individual may continue to participate until the end of the three-month period regardless of whether he or she continues to meet the RTW. However, other Food Stamp Program requirements will continue to apply.

The household must notify the county office when a disqualified individual goes to work or otherwise meets the RTW. The household is the primary source of information about any member meeting the RTW. Should a household report independent of the semi-annual report that a member has met the RTW, the county worker has ten days to determine compliance. If yes, the compliant member will be added back to the food stamp case.

If this information is reported via the semi-annual report, the normal processing standards will apply.

3600 Food Stamp E&T Programs

07-01-03

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The Food Stamp Act requires all states to operate an Employment and Training (E&T) Program to assist eligible recipients in obtaining skills necessary in order to gain employment. In Arkansas, food stamp recipients who are subject to the requirement may participate in a Food Stamp Employment and Training (E&T) Program operated by the Arkansas Department of Workforce Education. Participation in the Food Stamp E&T Program is voluntary. No individual will be penalized for failure or refusal to participate in the Food Stamp E&T Program.

For FY 2003-2004, the DWE will operate an E&T Program in the following counties: Benton, Cleburne, Craighead, Crawford, Crittenden, Drew, Faulkner, Garland, Grant, Hempstead, Independence, Jefferson, Lee, Miller, Mississippi, Pope, Pulaski, St. Francis, Union, Washington, and White. Clients who are referred to the E&T Program may participate in one or more of the following components:

Independent Job Search – Participants make a pre-determined number of inquiries to prospective employers over a specified period of time.

Job Search Training – Participants undergo a job skills assessment. Resume development, interview coaching and job leads may be provided. Skills testing may be conducted. Participants may be provided employment counseling, motivational techniques, and effective job search method and instructions in a group setting. Participants may be assigned an employment counselor or case manager who works with the participant on a one-to-one basis.

Education – Participants may be enrolled in education programs or activities designed to help the participant improve basic skills including reading and math, acquire a high school diploma or GED, learn the English language, or gain occupational skills including but not limited to work keys and self-guided computer-assisted learning programs. Participants may also be enrolled in short courses such as, but not limited to, certified nursing assistant training or post-secondary vocational training (limited to 12 months).

Work Experience or OJT– Participants participate in unpaid or subsidized work experience or on-the-job training to prepare themselves for unsubsidized employment.

Vocational Training – Vocational training at the post-secondary level may be available for participants who may benefit from such training.

3610 Registration

10-01-03

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Work registration of food stamp recipients is completed at initial certification and at each recertification when the food stamp application form is signed. Registration must also occur at the time of a reported change, semi-annual report, or recertification when a member of an active case loses an exemption. Household members subject to the work registration requirement will be notified via a *Notification of Work Registration* (DCO-260).

3620 E&T Program Referral

10-01-03

In selected counties, county office workers will refer to the local DWE office all food stamp recipients who are subject to the Requirement to Work (RTW). This includes all able-bodied, non-exempt individuals between the ages of 18 and 49. The following individuals are exempt from the RTW:

1. Anyone age 17 or younger.
2. Anyone age 50 or older.
3. Anyone medically certified as physically or mentally unfit for employment. This includes any individual who:
 - Meets the definition of disabled as provided in the Glossary, definition of Aged/Disabled.
 - Receives services through Arkansas Rehabilitative Services.
 - Receives Worker's Compensation or sick pay benefits.
 - Receives a decision of disability from the Medical Review Team.
 - Provides a statement from a physician or licensed, certified psychologist indicating the cause of the disability and anticipated duration of the disability.
4. Any natural, adoptive or step-parent of a minor dependent child age 17 or younger so long as the dependent child lives with the parent. If both parents are in the home, then both parents are exempt under this provision. This provision also applies to individuals who are exercising parental control over a child age 17 or younger in the absence of a parent. If a couple (e.g., grandmother and grandfather) both exercise parental control, both individuals are exempt under this provision.
5. Any pregnant woman - This exemption covers all trimesters of pregnancy. If the pregnancy is not obvious, verification may be requested from a medical professional such as a physician, a certified nurse midwife or an employee of the Health Department.
6. Anyone who is otherwise exempt from the work registration requirements because he or she is:
 - Responsible for the care of a dependent child under the age of 6 or an incapacitated person of any age.
 - Receiving TEA cash assistance.
 - Receiving unemployment benefits or has applied for unemployment benefits but is not yet receiving them;
 - Participating in a drug addiction or alcoholism treatment and rehabilitation program on either an inpatient or outpatient basis;
 - Working a minimum of 30 hours weekly or receiving weekly earnings equivalent to the federal minimum wage multiplied by 30; or
 - Attending a high school or an institution of post secondary education on at least a half-time basis or attending an institution of higher education on any basis.

Volunteers: Any other household member who is subject to the Food Stamp Program work registration requirements may be referred to the E&T Program as a volunteer. For example, a mother or a father of minor children who is out of work may volunteer to participate in the E&T Program if he or she is subject to the work registration requirements. An E&T volunteer will be offered assistance with finding a job or may be able to secure education or job skills training. The county office worker will offer to refer all work-registered food stamp participants who are not subject to the RTW. There will be no penalty imposed if this individual refuses the referral or fails to participate in the E&T Program.

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Referrals will be made at application (initial and recertification), semi-annual report and reported change. Referrals will also be made at reported change or semi-annual report if a household member has become subject to the requirement to work (RTW). Referrals will be made even if the county has been selected as an RTW “waiver county” or the individual has been granted an RTW personal exemption.

County office workers will use a Referral Form and Participation Record (DCO-205) to refer appropriate household members to the E&T Program. A Notification of Work Registration (DCO-260) will be given to the household to serve as the registrant’s “notice” and to explain the E&T Program to the registrant. The DCO-205 will be mailed to the DWE location for that county. See PD FSC 03-03 (or the most recent E&T directive) for a list of addresses.

3630 Reimbursement/Payments

07-01-03

Each E&T participant will be eligible to receive reimbursement for transportation necessary to enable the individual to comply with required component activities. Reimbursement for transportation will be based on actual expenses of \$.29 per mile or the actual costs (e.g., for bus service or transportation provider) up to the maximum allowed per calendar month per participant

Other expenses related to E&T Program participation such as uniforms, boots, tuition, may be reimbursed when such reimbursements are requested by the local DWE office that is operating the E&T Program. These requests must be handled on a case-by-case basis. Payment must be authorized through the WISE system and paid directly to the vendor, unless verification is provided by DWE that this was indeed an out-of-pocket expense paid by the participant. The worker will utilize instructions contained in the On Line Wise help when authorizing reimbursement payments and generating checks for customers and providers for expenses other than transportation. See FSC 3631 for instructions on authorizing transportation costs. If a provider is providing services for more than one participant, a separate entry for each person must be keyed to RSRP in order for a check to be generated.

Total monthly E&T reimbursement may not exceed \$285 per client per calendar month. This includes both transportation costs and other costs. This reimbursement will not be counted as income in the food stamp budget. See FSC 5411.

3631 Transportation Reimbursement Payments

10-01-03

15 Each month that an E&T Program participant incurs a transportation expense, the E&T Program participant must complete a *Travel Reimbursement Documentation* (DCO-243) and page one of the *Billing and Routing Sheet* (DHS-0187). (It will not be necessary to complete page 2 of the DHS-0187.) The DCO-243 and DHS-0187 may be completed in the DWE Adult Education Office when the client goes there for E&T Program services.

When an E&T Program participant uses his or her own car for E&T related travel, sections A, Band C of the DHS-0187 must be completed by the participant. (The DCO-243 will be attached as documentation of the travel.) When an E&T Program participant pays someone else to transport him or her, Sections A, B and C of the DHS-0187 must be completed and documentation of transportation cost must be attached. If public transportation is used, a copy of the bus ticket or a receipt should be attached. If the participant pays another individual to furnish transportation, that individual must provide a signed statement indicating the dates on which transportation was provided and the amount paid for the transportation.

The DWE worker will initial and date the DHS-0187 and forward the form to the DHS county office. The DHS county office worker will sign the form in the area entitled “DHS Authorized Signature” and will authorize the payment via the WISE system. (Instructions may be accessed via Online Wise Help.)

NOTE: Each time a reimbursement is to be authorized, the worker must check the client's mailing address displayed on WISE to be sure it is the current/correct one. The WISE mailing address needs to be corrected before a reimbursement check is authorized.

3640 Information Supplied to DHS by DWE

11-01-02

Participation in the Food Stamp E&T Program is voluntary. No individual will be penalized for failure or refusal to participate in the Food Stamp E&T Program even if the DWE worker furnished this information to the DHS county office.

When a DWE worker becomes aware that an E&T Program participant has gone to work, the DWE worker will notify the DHS county office. This information will be processed at the next semi-annual report or recertification.

3650 Notifying DWE of Changes

10-01-03

16 DWE will not be reimbursed for costs incurred by an E&T Program participant who is no longer participating in the Food Stamp Program. Therefore, it is extremely important that DWE be notified when a food stamp case containing an E&T Program participant is closed because the household is ineligible, because the semi-annual report was not processed, or for any other reason. The county must also report to DWE when an E&T Program participant is dropped from a Food Stamp Household. (This includes individuals whose status is changed from an eligible to an ineligible member due to disqualification, etc.) The DHS county office worker will notify DWE of these changes on the *Referral Form and Participation Record* (DCO-205).

Workfare**3700 Workfare****11-01-02**

Workfare requires certain nonexempt work registrants to perform public service activities as a condition for receiving food stamp benefits. The primary goal of Workfare is to improve employability, thereby enabling individuals to move into regular employment. Workfare is operated jointly by a state or political subdivision and the Food and Nutrition Service of USDA. A political subdivision is any local government, including but not limited to, any county, city, town or parish. FNS must approve Workfare plans prior to implementation of the program.

Political subdivisions approved to operate Workfare are called Workfare sponsors.

Fifty percent of all administrative costs incurred by the Workfare sponsor will be funded by the federal government. Participant's costs will be reimbursed up to, but not in excess of, \$25.00 per month. (See FSC 3751.) Costs that are not reimbursable include: equipment, capital expenditures, tools or materials used in connection with the work, the costs of supervising Workfare participants, the costs of reimbursing participant's meals, or participant expenses in excess of \$25.00 per month.

The State will disburse federal funds used for the Workfare Program. The State will assure that records to support these financial claims are being maintained by the Workfare sponsor.

The Workfare sponsor is responsible for interviewing and assessing eligible recipients, establishing job sites, assigning recipients to appropriate job sites, and making initial determinations of good cause or no good cause for failure to comply with Workfare obligations. Workfare job sites may only be located in public or private, non-profit agencies. Contractual agreements must be established between the Workfare sponsor and the job site.

3710 Conditions of Workfare Employment**11-01-02**

All persons employed in Workfare must receive job-related benefits to the same extent as others who are similarly employed. These are benefits related to the actual work being performed, such as worker's compensation. These are not benefits related to employment such as health benefits. Of those benefits required to be offered, any elective benefit that requires a cash contribution will be optional to Workfare participants.

NOTE: The cost of Worker's compensation or comparable protection provided to participants by the Workfare sponsor is a matchable cost. However, whether or not this coverage is provided, in no case is the federal government considered to be the employer in a Workfare Program, unless a federal agency is the job site. The Department of Agriculture does not assume liability for any injury to or death of a Workfare participant while on the job.

- Workfare participants must be provided the same working conditions as others who are similarly employed. Health and safety conditions must conform with Sec. 2(a) (3) of the Service Contract Act of 1965 (P.L. 89-286).

Workfare

Workfare participants will not be assigned work that has the effect of replacing or preventing the employment of an individual not participating in Workfare. This means that vacancies due to hiring freezes, terminations, or layoffs will not be filled by a Workfare participant unless such vacancies are a result of funds insufficient to sustain former staff levels. Workfare jobs must not in any way infringe on the promotional opportunities that would otherwise be available to regular employees.

Workfare jobs will not be related in any way to political or partisan activities. Although Workfare participants may be assigned to work for an elected official, they may not engage in work that could be construed as political, such as campaign work.

Workfare assignments will take into consideration previous training, experience and skills of participants. This information shall be obtained from the participant during the initial interview with the Workfare administrator.

3720 Who is Subject To Workfare**10-01-03**

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The DCO county office worker will determine at certification, recertification or submission of a completed semi-annual report which household members are required to participate in the Workfare Program.

Any household member who is not exempt from the work registration requirements as specified in FSC 3200 may be required to participate in the Workfare Program. See FSC 3730 below.

Exception 1: Recipients of TEA cash assistance who are not otherwise exempt from the work registration requirements may be required to participate in a Workfare Program if he or she participates less than 20 hours per week in a TEA work requirement activity.

Exception 2: Unemployment benefit applicants and recipients who are not otherwise exempt from the work registration requirements may be required to participate in a Workfare Program.

If a Workfare Program participant is unable to report for job scheduling, to appear for scheduled Workfare employment or to complete their entire Workfare obligation due to compliance with an unemployment or TEA Program work requirement, that inability will not be considered as a refusal to accept Workfare employment. The Workfare sponsor must reschedule the missed activity. If the rescheduled activity cannot be completed before the end of the month, that must not be considered as cause for disqualification.

3730 Determining Workfare Obligation**11-01-02**

Normally, a household's Workfare obligation begins when the county worker determines that a certified household contains a member who is subject to the Workfare requirement. This obligation ends when all household members become exempt or when the household moves from the county, or when the food stamp case is closed for any reason. A household is considered to have good cause for not completing any remaining hours of obligation after case closure.

Only one member per household will be required to participate in Workfare at a given time. If there is more than one household member who is subject to the work registration requirements, the household selects which household member will participate in the Workfare Program. This individual is considered to be the household's prime designee. In households having more than one member subject to Workfare, another household member who is Workfare eligible may fulfill the Workfare obligation if the original designee does not. (See FSC 3760.) The Workfare office, which is notified of all Workfare eligible household members via the referral form, should report a change in designees to the local DHS county office. However, it is not necessary that the DHS county office be notified prior to the work obligation being completed by another eligible designee.

The household's obligation of work hours each month will be calculated by dividing the household's authorized monthly food stamp benefit amount (before recoupment) by the current federal minimum wage. Fractions are rounded down.

A food stamp recipient may be required to work no more than 30 hours per week. This maximum may be exceeded only with the recipient's consent. The recipient must be informed in writing that such work is purely voluntary on his/her part, and no monetary compensation or other benefits for such work should be expected. In any case, the total weekly average for the month must not exceed 30 hours per week. Recipients working for compensation either full-time or part-time or recipients participating in the Food Stamp E&T Program may not be required to exceed 30 hours of work each week including E&T Program activities. No participant may be required to work more than 8 hours per day except with his/her consent.

The household's hours of obligation for any given month will not be carried over into another month except when the household wishes to end a disqualification due to noncompliance with Workfare as explained in FSC 3760.

3740 Referral of Workfare Eligibles

10-01-03

The DHS county office determines Workfare eligibles and makes referrals. The worker will determine at certification or recertification which household members are subject to work registration as per FSC 3200-3290. Once these persons are identified, the worker will:

1. Notify the household of the work registration requirements via *Notification of Work Registration* (DCO-260) if necessary. See FSC 3300-3310.2.
2. Determine if a household member is subject to Workfare using the criteria in FSC 3710. If more than one member is subject to Workfare, the household must designate the member who will be responsible for the Workfare obligation. This member, who is the prime designee, does not have to be interviewed in the county office; however, when the household makes a change in designee, the DHS County Office should be notified.
3. Complete the *Referral/Change* (DCO-207) in accordance with instructions on the form. Calculate the hours of obligation in accordance with FSC 3720. This will be done at certification, recertification or submission of a semi-annual report when the reported change will affect the food stamp benefit amount and the Workfare obligation. The DCO-207 will be routed to the Workfare Office within five days of date of completion.

Workfare

4. Establish a job search period of 10 days. The job search period must follow certification and must end before the Workfare assignment is made. Job search periods are only established when an individual is referred to Workfare for the first time or when an individual is referred again following a period of nonparticipation in Workfare. A job search period is established at application but not at recertification or submission of semi-annual report.
5. Prepare a *Notification of Workfare Obligation* (DCO-208). Issue a copy to the prime designee as official notification of Workfare obligation.
6. Advise the household of the responsibilities listed below:
 - The participant is expected to look for a job if a job search period is established.
 - The participant must report to scheduled appointments and participate in Workfare activities as directed by the Workfare Sponsor.
 - The participant must advise the Workfare sponsor's office in advance if he or she is unable to keep scheduled appointments due to unavoidable circumstances such as illness, household emergency, etc.

(These responsibilities are explained on the DCO-208.)

7. Inform the household of the affect of any changes on Workfare obligation.
8. Advise the Workfare sponsor within 5 days of the date a change was processed and how this change will affect a household's Workfare obligation. This also includes changes in prime designee, head of household and case closures.
9. Provide the following information to the Workfare sponsor when the sponsor reports a participant has obtained employment:
 - The food stamp benefit amount prior to the change; and
 - The food stamp benefit amount after the change.

The information will be used by the Workfare Sponsor to calculate the amount of enhanced reimbursement as instructed in FSC 3710.

10. Make final determination on good cause requests as explained in FSC 3763.
11. Act on reports of noncompliance as described in FSC 3750-3753.

3750 Workfare Sponsor Responsibilities

01-01-99

FSC 3700-3710 gives a general explanation of the Workfare sponsor's responsibilities for administering the Workfare Program.

Specific Workfare sponsor responsibilities and the policy section in which they are explained are listed below:

- Assigning participants FSC 3751
- Monitoring the program FSC 3752
- Making reports FSC 3752
- Reporting noncompliance FSC 3761
- Determining good cause FSC 3763
- Reestablishing eligibility after sanction FSC 3766

3751 Beginning Workfare Participation

01-01-99

The Workfare sponsor will be notified via a *Workfare Transmittal* (DCO-207) of the household's Workfare obligation.

An interview with the prime designee will be scheduled by the Workfare sponsor to obtain information regarding the training, experience and skills of the designee. These factors will be taken into account when the designee is assigned to a job site.

The Workfare sponsor will notify the prime designee of where and when to report to the Workfare site. Additionally, the prime designee must be given:

1. The name of the person to whom the designee is to report;
2. A description of the duties for the worksite; and
3. A statement of the number of hours to be worked each month.

Participants must be reimbursed (not to exceed \$25 per month) for transportation, child care, and other costs that are reasonable, necessary and directly related to Workfare. This includes costs of personal safety items or equipment required for performances of the work if also purchased by regular employees. Reimbursements for transportation may include, but are not limited to, use of participant's private vehicle and public transportation, provided cost per month does not exceed \$25.

Participants who fail to report to scheduled interviews or to assigned job sites or who otherwise fail to comply with proper instructions from the Workfare sponsor will be advised by letter to contact the Workfare sponsor to make arrangements to complete their obligations.

If a participant fails or refuses to comply with the Workfare requirements, the Workfare sponsor will make a tentative assessment of good cause as explained in FSC 3763.

Vehicles

4800 Vehicles**07-01-01**

All vehicles, licensed and unlicensed, must be evaluated to determine how much, if any resource value will be counted in the food stamp budget. The term vehicle includes cars, trucks, vans, recreational vehicles, motorcycles, all terrain vehicles, golf carts, go-carts, mopeds, campers, and boats/boat motors/boat trailers. "Junked" cars must be evaluated as well.

A licensed vehicle is a vehicle currently licensed by a state to operate on public roads and highways. Vehicles that bear a temporary dealer's permit are considered licensed.

An unlicensed vehicle is one that is not currently licensed by a state to operate on public roads and highways. This includes expired licenses. Unlicensed vehicles will be evaluated even if they are not running.

Resource value is determined for each vehicle individually.

4810 Ownership of Vehicles**07-01-01**

Questions about the ownership of a vehicle arise when:

The title to a vehicle is held jointly in the name of two people but only one person has possession of the vehicle;

OR

The title is held solely by one person, but the vehicle is considered to belong to someone else because that person is paying for the vehicle and drives and maintains the vehicle.

Example A parent allows his child to purchase a vehicle in his name because the child cannot get the necessary credit approval.

Under Arkansas law, when one person buys property using the money or assets of another person, that property actually belongs to the person who furnished the money or assets to purchase the property. Therefore, when the title to an automobile is held by a member of a food stamp household, yet he or she verifies that he or she has no access to the vehicle and is not paying for the vehicle, the vehicle should not be counted as a resource to his or her household. (*The vehicle will be considered a resource to household of the person who furnished the money to purchase the vehicle and who drives and maintains the vehicle.*)

In these instances, the household will be asked to provide verification that someone other than a household member is making payments on the vehicle and is driving and maintaining the vehicle. Verification of non-accessibility must be in the form of canceled checks or money order receipts that show the name of the person who actually makes the car payments and other documents (gas tickets, repair bills, etc.) that show this vehicle is being used and maintained by a person who is not a household member. In the absence of any of these documents, the household may provide collateral statements to verify the vehicle is inaccessible.

Vehicles

NOTE This policy will not be applied to those situations where one person owns a vehicle but allows another person to drive it. The policy will only apply when the person who has possession of the vehicle is making payments on the vehicle and is using his own funds to maintain the vehicle.

4820 Leased Vehicles**07-01-01**

Generally, a leased vehicle will not be considered a resource unless the title to the vehicle is registered in the customer's name and the lease stipulates that the payments are credited towards ownership of the vehicle. Each lease must be evaluated individually to determine if the payments can be credited towards ownership of the vehicle.

- A "Smart Buy" lease leads to ownership of the vehicle. The person who purchases a vehicle under the "Smart Buy" plan is considered to be the vehicle's owner immediately at the time of purchase. Vehicles purchased under a "Smart Buy" plan will be considered a resource to the household.
- An open-ended lease provides the customer an option to buy at the end of the lease period. Each open-ended lease must be evaluated individually. Generally, open-ended leases with the car title in the dealership's name are not considered a resource to the household and open-ended leases with the car title in the customer's name are considered a resource to the household.
- A close-ended lease does not provide the customer with an option to buy at the end of the lease period. A vehicle listed under a close-ended lease will not be counted as a resource to the household.

4830 Vehicles Owned by Categorically Eligible Households**07-01-01**

If a household is categorically eligible under the definition in FSC 1920, all resources, including any vehicles, licensed or unlicensed, owned by household members, will be excluded.

4840 Excluded Vehicles**10-01-03**

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If a household owns more than one vehicle, any vehicle, licensed or unlicensed, owned by the household will be excluded as a resource if:

- The vehicle is necessary for the employment of a household member. Vehicles necessary for employment include only those used for job-related travel other than travel back and forth to the job site. This includes vehicles such as, but not limited to, vehicles used by traveling salespeople or migrant farm workers following the job stream or home health aids traveling from home to home. This exclusion applies during temporary periods of unemployment when the vehicle is in use.

Excluded Vehicles

- The vehicle is classified as an income producing vehicles. Income producing vehicles are those vehicles used primarily (over 50% of the time) for income producing purposes or those vehicles annually producing income consistent with their fair market value even if used only on a seasonal basis. See FSC 4870 for instructions on determining fair market value. This exclusion applies during temporary periods of unemployment when the vehicle is not in use. For example, a taxi retains its exclusion while the driver is ill and unable to work, or a migrant's vehicle retains its exclusion if the migrant temporarily leaves the job stream. A vehicle essential to the self-employment of a household member engaged in a farming operation may continue to be excluded as a resource for one year from the date the farm operation was terminated. See FSC 4440 for additional information.
- The vehicle is used as the household's residence. This includes boats, campers, travel trailers and travel homes when used as the household's principal residence
- The vehicle is used to transport a physically disabled household member. (*This exclusion will not apply to disabilities based strictly on a mental condition.*) Any vehicle may be excluded under these provisions as long as the vehicle issued to transport a physically disabled household member. There is no requirement that the vehicle be either a special type of vehicle or be specially equipped. There is a limit of one vehicle per physically disabled member.

Disabled, as it relates to the exclusion of a vehicle to transport a physically disabled member, means either a permanent or a temporary disability. Permanent disabilities are those that entitle an individual to receive a disability check from a source such as Social Security, SSI or VA. Temporary disabilities are conditions such as, but not limited to, a broken leg, the recovery period following major surgery or conditions that require ongoing treatment such as dialysis or chemotherapy. (Vehicles owned solely by a SSI recipient are excluded under the provisions in FSC 4300.)

If the disabling condition is not obvious to the county office worker, the household will be asked to furnish verification. Acceptable verification includes receipt of a check based on the disabling condition or a statement from a physician or other health professional such as a physical therapist. The worker must document the cause of the disability and the period of time during which the disabling condition is expected to continue.

- The vehicle is necessary to carry the primary source of fuel for heating or water for home use. Households without either heating fuel or water piped into their homes may exclude one vehicle without meeting further tests about the capability or actual use of the vehicle. For the purpose of applying this exclusion, all-electric homes will be considered to have fuel "piped in" if the household has electric heating devices in the home. The exclusion will apply for the entire year so long as the household expects to use the vehicle to haul fuel and/or water at some time during the year.

Example 1 A household uses a four-wheel drive vehicle to haul firewood. The firewood is used in a wood furnace that is the household's primary source of heat. The vehicle is totally excluded as a resource.

Excluded Vehicles/Determining the Countable Resource Value of Licensed Vehicles

Example 2 A household must haul its water from a neighbor's house. Since they use their only vehicle to haul the water, this vehicle will be totally excluded as a resource.

Example 3 A home is equipped with an electric heat pump. However, the household actually uses a wood heater as its primary source of heat. The household uses one of its vehicles to cut and haul the wood off of its property. The vehicle will be excluded as a resource.

Verification that the household does not have either water or heating fuel piped into its home may be requested if the household's statements are questionable. Households (including all electric homes) which have both fuel and water piped into the home must verify that the excluded vehicle is used to transport the household's primary source of heating fuel or water. Verification may be obtained through utility companies, collateral contacts, or through documentary evidence such as receipts for the purchase of wood.

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If, there are licensed or unlicensed vehicles remaining after these exclusions have been applied, one remaining vehicle will be excluded. Normally, this will be the most expensive vehicle unless it would be more advantageous to the household to exclude another vehicle.

4850 Determining the Countable Resource Value of Licensed Vehicles 10-01-03

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The resource value assigned to all non-excluded vehicles for purposes of determining food stamp eligibility will be either:

- The fair market value less a \$4,650 limit; or
- The equity value (fair market value less encumbrances).

See FSC 4851 for instructions on determining fair market value.

GO TO THE NEXT PAGE FOR ADDITIONAL POLICY AND EXAMPLES.

Odd Job Income/Work Study/Verification of Earned Income

If any of the household members is capable of maintaining a record of the income from odd jobs, the worker will request that such records be maintained to be used as income verification. (This is not a requirement. Even if a member of the household appears capable of maintaining a record of odd job income, the household's application will not be denied for failure to produce such a record.) If a member routinely does odd jobs for the same person or persons, odd job income may be verified through collateral contact with these people. If no verification of odd job income can be obtained, the household will be interviewed regarding the odd job income, and the household's statements regarding this income will be accepted.

5513 Deleted 01-01-03

5514 Verification of Earned Income 10-01-03

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Earned income must always be verified at initial application and when a semi-annual report is submitted. Earned income will be verified at recertification when a change is reported independent of the semi-annual report if the income is from a new source, or has changed by \$50.00 or more. Income that is unchanged or that has changed by less than \$50.00 will be verified only if information regarding the income is incomplete, inaccurate, inconsistent or outdated. See the Glossary, definition of "Verification" for additional information. Acceptable verification of earned income is listed below in order of preference.

1. The most recent consecutive check stubs that accurately portray the individual's income.
2. An *Earnings Statement* (DCO-97) properly completed by the employer or designee and containing weekly earnings if a history of earnings is available.
3. A signed statement from the employer that indicates the date of the most recent consecutive pay periods and the gross amount received at each pay period.
4. A copy of the employer's wage records for the most recent consecutive pay periods.
5. Telephone contact with the employer.
6. An *Check Verification Form* (DCO-70) indicating the gross amount of each of the most recent checks.
7. Pay envelopes if properly dated and indicating the gross pay.

If none of these items are available and the household has not changed employers, one of the following items may be used as verification of earned income:

- Employee's W-2 Form - (for monthly income divide yearly wages by twelve).
- State or Federal Income Tax Returns - (for monthly income divide yearly wages by twelve).
- The most recent information appearing on the WESD "Wage Screen" - (for monthly income divide quarterly wages by three).
- State Income Tax Bureau - (most recent wages reported).

Verification of Earned Income/Special Verification

No household will be denied food stamp benefits solely because someone outside the household failed to cooperate with a request for verification. The term "outside the household" will not apply to ineligible students, ineligible aliens, or to individuals disqualified or ineligible for one of the following reasons: a) intentional program violation; b) failure to provide a social security number; c) noncompliance with the work registration requirements; d) noncompliance with the workfare requirements e) noncompliance with the Requirement to Work; f) fleeing felons; or g) conviction of a drug related felony.

5515 Special Verification**01-01-00**

1. Annual Bonuses - The anticipated date of receipt and the amount of the annual bonus, if known must be verified.
2. Contractual Income - The terms of the contractual agreement, the months covered by the contract and whether the contract specifies a yearly or monthly amount must be verified.
3. Diverted Payments - Whether or not the payment was made from funds owed to the household must be verified.
4. Sick Pay/Maternity Benefits - Whether or not the individual receiving the pay is still considered an employee must be verified. The source of the payment must be verified.
5. Tax Credits - The frequency of the payment and the amount of the payment must be verified.
6. VISTA Payments - When the volunteer joined VISTA and if they were receiving TEA (AFDC) or food stamp benefits at the time they joined must be verified.

This income may be verified by a statement or collateral contact with the employer or the source of the income. When an employer is unable or unwilling to cooperate in providing needed verification, the household may not be denied solely due to lack of verification. Alternative forms of verification such as tax returns or collateral statements may be used. In the absence of any type of verification, the household may furnish a written statement of the income amount.

Special Payments to Farmers/Determining Self-Employment Income

Federal Crop Insurance Corporation (FCIC) Payments – The farmer must pay a premium to be covered by the FCIC. Payments from the FCIC are excluded as a non-recurring lump sum payment.

Crop Insurance Payments / Private Company Payment – Crop insurance payoffs from private companies are excluded as income if received in a lump sum payment. Payoffs received in installments are counted as income.

5660 Determining Self-employment Income**01-01-00**

Self-employment income is all proceeds from the sale of goods or for services rendered by the self-employed individual plus any capital gains less the costs of producing the income. The form *Statement of Self-Employment* (DCO-226) will be used to calculate self-employment income from operations other than farms. The form *Income from Farm Operations* (DCO-227) will be used to calculation self-employment income from farms.

5661 Annualizing Self-employment Income

(This section of policy applies to businesses in existence for longer than one year. The policy at FSC 5662.1 applies to business in existence for less than one year.)

Normally, self-employment income is annualized. Averaging self-employment income and expenses from the past year over a 12-month period annualizes the income. Regardless of whether the household receives the income monthly or less often than monthly, self-employment income will be annualized when the income represents a household's annual income.

Example 1 A household member is self-employed as a carpenter. He receives income from various jobs throughout the year. His income from carpentry will be annualized.

Example 2 A household member has a farm. He raises cotton and soybeans. He receives income from the sale of the cotton and soybeans in the fall of the year, but it represents his annual income. His farm income will be annualized.

Self-employment is annualized even if the household receives income from other sources.

Example A household member has a farm. He raises cotton and soybeans. The income he receives from the sale of the cotton and soybeans in the fall of the year represents his annual income. Even though his wife works full time, the farm income will be annualized.

5662 Self-employment Income That is not Annualized

10-01-03

If self-employment income is intended to support the household for only part of the year, income from the past year will not be annualized. Instead, the self-employment income from the past year will be averaged over the period of intended use and counted as anticipated income in those months.

Example Mr. G works as a bus driver for the local school. During the months of June, July and August, he raises produce and sells it at the farmer's market. The income from the sale of produce is intended to support Mr. G's family during the months of June, July and August. The income from this operation will be averaged over the months of June, July and August and shown in the food stamp budget only for those months.

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If the period of intended use will end before the month in which the household's semi-annual report is due to be submitted, the county office must insure that the income is dropped from the budget after the period of intended use ends. Similarly, if the period of intended use ends after the semi-annual report is issued but before the household's recertification is due, the county office must insure that income is dropped from the budget after the period of intended use ends.

5662.1 Self-employment Enterprises in Business for Less than One Year 10-01-03

No income from a self-employment business will be counted until the household has actually received income from the business. Once the operation has been in existence long enough to make a projection of future income, the income received to date will be used to project future income. To project future income, the county office worker will average the self-employment income and expenses over the period of time the business has been in existence.

Example A household submits an initial application for food stamps. For the last eight months the case head and his wife have operated a detail shop. The couple provides their income tax return to verify their self-employment income. The self-employment income on the tax return covers the period from July 1 through December 31. The operation's income and expenses must be divided by six to anticipate the couple's income from the detail shop.

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When self-employment income cannot be projected, the household will be assigned a four-month certification period. At each recertification, the household must provide verification of the business' income and expenses for the four-month period just prior to the month of recertification.

- Some households have a farm operation that shows income only at the end of the year. For example, a farmer raises cotton and soybeans. This household will not have any income to show from the self-employment operation until all crops are in and sold and all expenses paid. In that case, no income will be shown until the end of the year, and the household will be assigned four month certification periods until there is enough information to project self-employment income.

Separate Enterprises/Partnerships/Farm Loss Deduction

5664.1 Separate Enterprises**01-01-00**

When self-employment is derived from two or more separate enterprises with no farm operation involved, the gross income and allowable costs from each business will be combined to calculate the net self-employment income.

When one of the enterprises is a farm, the county office worker must complete the following steps:

1. Determine the gross income from the farm operation.
2. Determine the allowable costs of producing the farm income.
3. Exclude the allowable costs from the gross income.

If there is no loss in the farm operation, the farm income and allowable costs will be combined with the income and allowable costs of the other business. If there is a loss, the income and allowable costs of the farm operation will not be combined with the income and costs from the other business. Instead the loss will be deducted as instructed in FSC 5670.

5664.2 Partnerships**01-01-00**

When a household member is involved in a self-employment operation with one or more partners, the household's share of the income from the business will be calculated by:

1. Determining the gross income for the business;
2. Excluding the allowable costs of doing business; and
3. Dividing the net income by the number of partners unless the profits of the partnership are prorated rather than divided equally. If the profits are prorated, the net income will be prorated in the same manner.

5670 Farm Loss Deduction**06-01-01**

A farming operation is a business enterprise engaged in the production of agricultural products. Farming operations may involve cotton, soy beans, rice, other grains, stock, dairy, poultry, fish, fruit, beeswax, vegetables, ranching, tree farms, and nurseries among others.

Losses incurred in farming operations are deductible from any other household income if:

- The farmer's cost of producing the farm income exceeded the gross income from the farming operation; and
- The farmer received or expects to receive annual gross proceeds of \$1,000 or more from the farming operation.

Only allowable costs of producing self-employment income will be excluded to determine if a loss was incurred by a farm operation.

Farm Loss Deduction/Reported Changes in Self-Employment Income

When a farm operation shows a loss, the county office worker will:

1. Determine the monthly amount of the loss by excluding the allowable costs of producing the income. If the costs of producing the income exceed the income, divide the remaining costs of producing the income by 12 or by the number of months in the selected period. The resulting figure is the monthly farm loss.
2. Use the monthly farm loss to offset any other non-farm related self-employment income by subtracting the **net** self-employment income **from** the monthly farm loss. If any self-employment income remains after the offset, the remaining self-employment income will be counted in the food stamp budget. No further offset will occur. Go to number 5.

If the farm loss deduction is greater than the non-farm related self-employment income or there is no other self-employment income in the household, go to number 3.

3. Add together gross earned income and gross unearned income.
4. Subtract the farm loss from all other household income.
5. For households with no aged or disabled members, apply the gross income eligibility pretest. (The pretest does not apply to households with an aged or disabled member.)
6. If the household is eligible after the pretest, calculate the remainder of the food stamp budget.

5680 Reported Changes in Self-employment Income**10-01-03**

Households currently participating in the Food Stamp Program may report changes in self-employment income. The worker must determine if these changes will be reflected in the anticipated income. Self-employment income will not be recalculated to reflect seasonal fluctuations in income.

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Example Mrs. M. has a landscape business. On her semi-annual report submitted in April, she reports she was not able to work much in March due to bad weather. This is a seasonal fluctuation in income, and the self-employment income will not be adjusted. Other types of reported changes must be reflected in the self-employment income.

Other types of reported changes must be reflected in the self-employment income.

Example Mr. J owned 500 acres of land. He raised cattle, wheat, and fresh produce on this land. In July he reports to the worker that he filed for bankruptcy. The bank repossessed his land, and his cattle were sold to pay off his debts. He has moved to town and gone to work at a factory. The worker must remove the self-employment income from the food stamp budget and add Mr. J's earnings to the budget.

5690 **Verification/Documentation****01-01-00**

Generally, self-employment income may be verified by viewing the household's federal income tax return for the previous year. The household's income tax return may be used as verification if the return reflects a full year's income or the income can be divided over the months the business has been in existence. The "Schedule C" attached to the return should contain a complete statement of the household's self-employment income and expenses. (Not all expenses listed will be excludable under food stamp policy.) If a tax return is not available, ledgers, bank books or other accounting records maintained by the household or prepared by a bookkeeper or accountant may be used. Receipts for the sale of goods and services and receipts for allowable costs of producing the income may also be accepted.

If the household states there are no records, the DCO-226 or DCO-227 will be completed based upon the household's declared income and expenses. This method may only be used temporarily. The household must be instructed to furnish records of income and receipts to verify costs at the next scheduled recertification. Required documentation includes:

1. Type of self-employment enterprise;
2. How the household receives this income - e.g., monthly, annually;
3. The length of time the enterprise has been in existence;
4. The figures used to arrive at the net self-employment income (DCO-226 or DCO-227) and the figures used to determine the monthly income;
5. The figures used to calculate any farm loss; and
6. The verification obtained.

5691 **Certification Periods and Recalculating Annual Income****10-01-03**

The household's annual income must be recalculated at about the same time each year. Normally, this will be soon after the first of the year when all the information needed to determine the household's self-employment income for the year is available. To simplify the process of determining self-employment income, the household may be assigned one or two four-month certification period so that the household's certification period will end about the time the household's annual self-employment income is due to be recalculated. Once the annual self-employment income has been recalculated, the household will be assigned a 12-month certification period and will become subject to semi-annual reporting.

FSC – INCOME
Unearned Income/Transitional Employment Assistance

5700 - 5701

5700 Unearned Income

01-01-03

Unearned income is income received by a household that has not been earned through employment or self-employment. Households in receipt of only unearned income will not receive the earned income deduction.

Common sources of unearned income are listed below in alphabetical order:

Allotments	Rental Income
Child Support/Alimony Payments	Severance Pay Received in Installments
Contributions	Sick Pay
Diverted Payments	Social Security Benefits (SSA)
Foster Care Payments	Strike Benefits
Installment Contracts	Supplemental Security Income (SSI)
Interest, Dividends, Royalties	Unemployment Insurance Benefits (UI)
Pensions	Utility Assistance from HUD or Housing Authority
Reimbursements for Normal Living Expenses	Veteran's Assistance (VA)
	Workman's Compensation

5701 Transitional Employment Assistance (TEA)

01-01-00

TEA (Transitional Employment Assistance) Program cash assistance payments are counted as unearned income. TEA cash assistance is paid on a monthly basis and is based on a standard of need for a particular household size.

Food stamp benefits will not be increased when a household member's TEA benefits are reduced, suspended or terminated due to non-compliance with the program requirements, or for non-cooperation with the Office of Child Support Enforcement or for an intentional program violation. See FSC 12110 for instructions.

If the household states it will pay less than the obligated amount, the lesser amount will be deducted. In no instance will the amount deducted exceed the obligated amount.

For households submitting a subsequent application, the average will be based on the child support paid during the previous certification period with appropriate adjustments for any change in the amount of obligation.

See FSC 1622.9, 1623.1 and 1623.2 for instructions on calculating the child support deduction for households with disqualified members.

6552 Verification of Child Support Payments

10-01-03

At initial application both the obligation to pay child support and the amount of deductible child support paid must be verified. The household will be the primary source of verification of the legal obligation to pay child support, the amount of the obligation, and the amount paid. Any document that verifies the obligation to pay child support such as a court order, administrative order, or legally enforceable separation agreement would be sufficient verification of the obligation and obligated amount.

Documents used to verify the household's legal obligation to pay child support will not be acceptable verification of the household's actual payment. Acceptable verification of amounts paid would include canceled checks, wage withholding statements, verification of withholding from unemployment compensation, and statements from the custodial parent regarding direct payments or payments the non-custodial parent pays or expects to pay on behalf of the custodial parent. Payments made through the Office of Child Support Enforcement may be verified through OCSE screens.

Payments for child support arrearages must be verified. Both the legal obligation to pay arrearages and the amount of payment must be verified. Arrearages can be verified through the person receiving the child support, through each person's attorney, through OCSE, through private collection agencies, or through any other documentary evidence (e.g., court orders).

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At each recertification and when a semi-annual report is processed, the amount of child support paid must be verified. The obligation to pay child support must be verified again only if the household reports a change in the obligated amount. If the household reports a change in the obligation to pay child support, both the obligation and the amount of child support paid must be verified.

An initial application or an application for recertification will not be held beyond the time allowed for normal processing solely to obtain required verification of deductible child support payments if the household is otherwise eligible. The household will be notified that its case was processed without the child support deduction and that verification of child support may be supplied at a later date. When the household does provide verification of the child support payment, the expense will be deducted and the food stamp benefit amount adjusted according to the timeliness standards for a change reported by an occasional reporter. See FSC 11410.

6600 The Excess Shelter Deduction

12-01-99

The excess shelter deduction is the amount of the household's allowable shelter costs in excess of 50 percent of the household's adjusted food stamp income. The household's adjusted food stamp income is their income after all other allowable deductions - earned income, standard, dependent care and medical.

Unless the household contains an aged or disabled member, the shelter deduction cannot exceed a maximum allowable figure. See the Standards Appendix (Appendix D) for this figure.

See the Glossary, definition of "Aged/Disabled".

Households with an aged or disabled member may deduct all shelter costs in excess of 50 percent of its adjusted food stamp income.

6610 Allowable Shelter Costs

06-01-01

A shelter is defined as a household's principal place of residence. Only the following items will be considered allowable shelter costs.

1. Continuing charges for the shelter occupied by the household.

This includes rent or continuing charges leading to the ownership of the shelter. Such charges may be mortgage payments, condominium or association fees, payments of liens against the property (e.g. second mortgages made to repair the home or personal loans made using the property as collateral), or payments on loans for the purchase of a mobile home. Interest on all such payments will also be allowable.

When a household moves into a new residence and must pay the "first and last month's rent", both months' rent will be allowed as a shelter cost in the month in which the household is billed for the two months of rent.

2. Property taxes on the household's shelter. This includes state and local assessments as well as voluntary road or other improvement taxes. Identifiable personal property or real estate taxes on mobile homes used as a permanent residence will also be allowed. (*Personal property taxes other than those on mobile homes used as a permanent residence are not allowable.*)

Under the Homestead Tax Act, households in some counties may be reimbursed for part or all of their real estate taxes. Since the date of receipt or the amount of reimbursement cannot be anticipated, the full amount of the real estate tax bill incurred will be allowed as a shelter cost.

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- Example 1 A household lives in a privately owned house. HUD pays all the rent and sends the household a \$50 utility reimbursement check. The household pays a light bill of about \$45 and a gas bill of about \$45 per month. The household has an air conditioner and gas furnace. The household is entitled to choose the utility standard.
- Example 2 A household lives in a housing project, pays no rent, and only pays excess utility costs. The household gets a \$50 utility reimbursement check, but is not entitled to choose the utility standard. (The household pays only excess utility charges.)
- Example 3 A household lives in a housing project, pays no rent and gets a \$50 utility reimbursement check. The household's water and gas is furnished. The household must pay the electricity bill. The household uses an air conditioner. The electricity bill runs about \$90 per month. The household may choose to use the utility standard.

6627 Verification and Documentation of Shelter Costs

10-01-03

At any case action, verification of changes for the shelter occupied by the household, property taxes, or insurance will be requested only when these costs are questionable. At any case action, entitlement to the utility standard needs to be verified only if the household's statements regarding the household's primary source of heating or cooling are questionable or contradictory.

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At initial application, actual utility expenses will be verified if the household's declared costs exceed the utility standard and result in a deduction. At recertification, reported change, semi-annual report or mid-point review, actual utility costs which exceed the utility standard and will result in a deduction will be verified if the source has changed (e.g. - the household has moved) or the total actual utility costs have changed by more than \$25.00. (*NOTE: At reported change, mid-point review or semi-annual report, households are required to report changes in shelter costs only if the household moves.*) Total actual utility costs which are unchanged or changed by \$25 or less will not be verified unless the information provided by the household regarding these expenses is incomplete, inaccurate, inconsistent or outdated. When verification of questionable information regarding shelter costs is requested, documentation of this request must appear. The reason the information was considered questionable must appear in this documentation.

If the household cannot provide verification of actual expenses before the date specified on the *Notice of Delayed Action* (DCO-206) or the *Notice of Action* (DCO-1), the worker will use the utility standard in the household's budget if the household is entitled to use the standard. See FSC 6621. If the household is not entitled to use the standard, unverified utility costs will be disallowed. (Only the unverified costs will be disallowed. For example, if the household provides verification of the electricity bill but not the water bill, only the water bill will be disallowed.)

If the household wishes to claim expenses for an unoccupied home (see FSC 4410), the worker must verify the household's actual utility expenses for the unoccupied home in every case. In no instance will the utility standard be allowed for an unoccupied home.

The Shelter Deduction and Determining if an Expense Should be Deducted

If obtaining verification of a household's shelter costs other than actual utilities may delay the household's certification, the worker will advise the household that eligibility and benefit level may be determined without the deduction of the unverified shelter cost. If the household's shelter costs cannot be verified within 30 days of the date of application, the worker will determine the household's eligibility and benefit level without providing a deduction for the unverified expense. (If the household has provided verification of some, but not all utility costs, the verified shelter costs will be allowed.) If the household subsequently provides the missing verification, the worker will treat the information as a reported change and will provide increased benefits, if any, in accordance with the standards provided in FSC 11310.

6628 Applying the Excess Shelter Deduction**10-01-03**

The excess shelter deduction must be calculated after the household's adjusted food stamp income has been determined. To apply the deduction, one-half of the adjusted food stamp income must be calculated. Then, this figure is subtracted from the household's total shelter costs. The result is the household's excess shelter.

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Unless the household contains an aged or disabled member, the excess shelter deduction must not exceed the maximum allowable. See Standards Appendix for the current maximum allowable amounts.

Example At application the household's total shelter costs are \$400 and their adjusted income is \$420.

\$420 adjusted income \div 2 = \$210
 \$400 total shelter - \$210 (50% of adjusted income) = \$190
 \$190 excess shelter deduction

The excess shelter deduction is subtracted from the household's adjusted income to arrive at their net monthly income.

The maximum excess shelter deduction for households without an aged/disabled member was \$340 as of 06-01-01. The household's excess shelter deduction is \$190.

\$420 adjusted income
 -190 excess shelter deduction
 \$230 net monthly income

6700 Determining if an Expense Should be Deducted**06-01-96**

Allowable medical expenses are specified in FSC 6510. Dependent care costs are specified in FSC 6400. Allowable shelter costs are specified in FSC 6610.

No expense is deductible unless the expense is incurred for a service provided by a non-household member, and the household has made or will make a money payment for the service.

7100 Determining Eligibility/Prospective Budgeting – Summary 10-01-03

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When a household applies for food stamp benefits (either initially or at recertification), when a change is reported, or when a semi-annual report is processed, eligibility must be re-determined prospectively.

Eligibility is based upon financial and non-financial eligibility factors.

The non-financial eligibility factors are summarized in charts found in FSC 7200. Chart 1 describes the non-financial eligibility factors applied to individual household members. Chart 2 describes the financial eligibility factors applied to the household as a whole.

The procedures used to determine eligibility based on the financial eligibility factors (resources and income) are described in this section. Also included is a full description of the budget process.

CHART 1:				10-01-03
FACTOR	HOW FACTOR IS APPLIED	VERIFICATION	ACTION TO TAKE IF FACTOR NOT MET	POLICY REFERENCE
Identity	The identity of the household member (and AR if applicable) must be verified.	Mandatory	Deny the application. A notice will be generated automatically.	FSC 1400 and FSC 960 (AR)
Residency	The household must live in Arkansas.	Mandatory	Deny the application. A notice will be generated automatically.	FSC 1300-1330
Household Composition	The household must establish who lives in the home and whether each member is eligible to participate.	If questionable to the worker.	Deny the application. A notice will be generated automatically.	FSC 1600-1620
Separate Household Status	When two groups of individuals living in the same residence wish to claim that they are separate households for food stamp purposes, the household applying for food stamps must establish this claim.	To the extent determined necessary by the worker.	Include all individuals as household members when determining eligibility.	FSC 1630-1633
Work Registration Requirements	All household members subject to work registration must meet the work registration requirements including voluntary quit and work hours reduction.	For individuals claiming disability, verify as per FSC 3230.	Disqualify members who not comply. First violation - 3 months. Second violation - 6 months. Third and subsequent violations - 12 months.	FSC 3400 FSC 3410

7431 Denying Applications When Resources Exceed Limits

10-01-03

31 Applications may be denied immediately when the worker determines that the household's resources exceed the limit if the household is not categorically eligible. See FSC 12230 when resources exceed the limit at reported change or submission of semi-annual report.

Example Mr. and Mrs. Polk apply for food stamp benefits. They are age 61 and 62. At the interview they declare that they have \$3,000 in a certificate of deposit, \$1,000 in their checking account (including their monthly income of \$600), and a 1999 Lincoln Town Car.

\$3,000 value of CD
\$ 400 checking (\$1,000 total less \$600 monthly income)
\$3,400 Total

Since \$3,000 is the resource limit, the household is ineligible based upon declared resources. Therefore, the application may be denied at the time of the interview.

7500 Step 2 - Gross Income Eligibility

11-01-02

All households except categorically eligible or aged/disabled households must meet gross income limits. See the Glossary for definitions of categorically eligible and aged/disabled.

A household's gross income is the household's total countable income before any deductions.

Example A household applying for food stamp benefits declares self-employment income of \$70,000 from the previous year as their only income. The cost of producing this income (\$45,000) is excluded. To determine if this household meets the gross income pretest the worker completes the following calculation.

\$70,000 Gross self-employment income
-45,000 Cost of producing the income
\$25,000 ÷ 12 months = \$2,083 per month gross income

The household contains six members. As of October 1, 2002, the gross income allowed for six members is \$2,629. The household meets the gross income pretest.

The following section provides lists of excluded income and countable income. For specific information, policy references are given.

7510 Excluded Income

07-01-98

The income listed below is excluded entirely when gross or net income is determined.

<u>Type of Excluded Income (in alphabetical order)</u>	<u>Reference</u>
1. Child Support payments when such payments should be paid to the Office of Child Support Enforcement (OCSE) to maintain TEA eligibility	FSC 5401
2. Costs of producing self-employment income.	FSC 5663
3. Earnings of a child who is under 18 years of age and attending school at least halftime.	FSC 5403
4. Educational Benefits.	FSC 1622.3
5. (By) Federal Statute.	FSC 5405

7521 Averaging Several Months Income

07-01-98

In cases where the receipt of income is reasonably certain but the monthly income may fluctuate, the household may elect to income average. (Income may not be averaged for destitute households as defined in FSC 9446.)

Before income may be averaged, the worker must obtain verification of at least two consecutive full month's income, and the household must agree that this income is representative of the income fluctuations anticipated for the coming months. The number of months used to arrive at the average income need not be the same as the number of months in the assigned certification period.

Example 1 Fluctuating income for two months is known and the household is reasonably certain that this income is representative of the income anticipated to be received in the coming months. The income for the two known months may be averaged and projected over a certification period longer than two months.

To calculate averaged income, the worker will obtain a monthly total for each month, add the monthly totals together and divide by the total number of months. Since averaged income represents more than one full month's income, no conversion factor will be used to obtain total monthly income.

Example 2 A household has elected to average three months' income and provides the following pay check stubs.

DATE	GROSS	DATE	GROSS	DATE	GROSS
6-1	\$230.15	7-6	\$225.25	8-3	\$325.30
6-8	300.00	7-13	45.00	8-10	155.55
6-15	175.25	7-20	230.15	8-17	230.15
6-22	230.15	7-27	<u>155.55</u>	8-24	230.15
6-29	<u>276.95</u>			8-31	<u>230.15</u>
TOTAL	\$1,212.50	TOTAL	\$655.95	TOTAL	\$1,171.30

June \$1,212.50
 July 655.95
 August 1,171.30
 TOTAL \$3,039.75 ÷ 3 months = \$1,013.25 rounded to \$1,013.
 \$1,013 will be used as the total gross monthly

7522 Special Procedures

10-01-03

NOTE: This section of policy is not intended to furnish instructions on conversion of income. See FSC 7513 for instructions on conversion of income.

When an initial application is processed, the budgeting process must reflect the household's income for each month in the application period. To accomplish this it may be necessary to prepare more than one budget. This may result in a food stamp benefit amount that varies from month to month. See FSC 7523.3 for instructions on calculating a variable budget.

If the month has not fully lapsed at the time the application is processed, the budget must reflect the income the household expects to receive for the entire month. See FSC 7513 for instructions on conversion of this income.

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At recertification or when a change or a semi-annual report is processed, the worker must make every effort to anticipate the effect of changes. This may require the calculation of two or more differing budgets for the same certification period. Weekly or biweekly income will be converted if a full month's income was received. See FSC 7513.

At any case action, the exact methods used to handle a change anticipated by a household will depend upon the type of change. The methods selected by the worker will not be limited to the methods illustrated in the examples provided below. The method selected must be fully documented.

Example 1 A household applies for food stamp benefits on May 12. An interview is conducted on May 25 and verification of earned income is requested. The requested verification is furnished on June 6, but through county error, the application is not approved until July 2. When the application is approved, the worker must consider the household's circumstances during each month in the application period. If the household's income and/or expenses have varied from month to month, a separate budget must be prepared for each month during that period See FSC 7523.3. Weekly or biweekly income will be converted if a full month's income was received. See FSC 7513.

Example 2 (This example shows the proper method for determining if weekly or biweekly income is to be converted.) At the application interview on January 15, the household reports a member expects to be laid off some time in January. If the reported lay off and the date of the last check can be verified, the budget for January will be prepared using only the income the household anticipates receiving in January. If the member will not be receiving a paycheck for each pay period in the month of January, total unconverted income will be used in the January budget.

8200 The Application Interview**2-01-99**

A qualified certification worker (county office worker) must conduct an interview with each food stamp applicant. The applicant may be the case head (FSC 1500), his or her spouse, another responsible household member, or the household's authorized representative (FSC 900).

The applicant may bring anyone to the interview. If the applicant (or any accompanying person) becomes physically or verbally abusive to the worker during the interview process, the worker may terminate the interview and reschedule another time for completion of the interview process. When applicants are under the influence of intoxicants or are mentally impaired to the extent that an interview cannot be conducted, the worker may request the interview be held with another household member or an authorized representative.

Any time the worker finds it necessary to terminate an interview and/or request that someone else complete the interview, all circumstances surrounding the incident will be fully documented in the case record and reported to supervisory personnel in the county office.

8210 Same Day Interviews**2-01-99**

Same day interviews are those interviews conducted with the household the same day the application is filed. Same day interviews relieve the county office of routinely assigning an appointment time for the interviews. The county office worker must document the date of the interview on the application form.

8220 Interviews Scheduled at a Later Date**2-01-99**

When it is not possible for a county office worker to complete an interview with an applicant on the same day the application is submitted, the DHS county office must schedule an interview for the applicant. It is not acceptable to schedule interviews on a first-come, first-serve basis where once the number of applicants in line reaches a quota, the local office will accept no more individuals for an interview. Each applicant must be assigned a date and time to return for the interview.

No system of assigning appointments is mandated; however, each county office must have a system in which appointments are assigned in a specific manner without favoritism toward any applicant or group of applicants. The county may assign each household a specific date and time or may assign appointments in blocks of time so long as each applicant is advised of the date and time on which he or she must return for an interview.

See FSC 9420 for special instructions on scheduling interviews for expedited households.

8230 Scheduling Interviews

04-01-02

NOTE: Each county office must have a plan for scheduling out-of-the office interviews. See FSC 8250.

Counties may select one of two options for assigning interview times to food stamp benefit applicants.

Option 1: The county office may assign an interview time to anyone upon that person's request. The assignment of an appointment prior to the submission of a food stamp application form must not affect a household's entitlement to expedited service.

Option 2: The county office may assign an interview time only to households that have submitted an application for food stamp benefits containing at least a name, address and signature.

No matter which option is chosen county offices must insure the policy is applied fairly and consistently to all food stamp applicants. To the extent practicable, the DHS county office must schedule interviews to accommodate the needs of groups with special needs, including households with members who work.

An interview must be scheduled upon receipt of an application form. All interviews must be scheduled as quickly as possible. Eligible households must be given an opportunity to participate in the Food Stamp Program within 30 days; therefore, interviews should be scheduled no later than 20 days from the date of application. When this is not possible, the interview should be scheduled at the first available appointment time. If a household fails to appear for a scheduled interview, no additional interviews will be scheduled unless requested by the household.

The DHS county office may not deny a household's interview prior to the 30th day after the date of application if the household fails to appear for the first scheduled interview. If the household requests a second interview during the 30-day application processing period and is determined eligible, the household's benefits must be prorated from the date of application. See FSC 8520 for additional information.

8240 Conducting Interviews

10-01-03

At a minimum, an interview of an applicant must cover the topics and complete the actions listed below:

1. The applicants must be advised of his or her right to a confidential interview.

2. The applicants must be advised of her or her rights and responsibilities.

*This includes their rights under the Privacy Act that restrict the release of information in the case record to the conditions specified in FSC 530, their right to review the contents of their case record (FSC 540), their right to an administrative hearing (FSC 16300), and their responsibility to cooperate during the interview and certification process. A copy of the pamphlet, *Your Rights and Your Responsibilities*, PUB 279 will be given to the household.*

3. The applicant must be advised that all food stamp cases are subject to review by the Quality Assurance Unit and that failure to cooperate with the Quality Assurance Unit will result in case closure.
4. The applicant must be advised that social security numbers (SSN's) must be declared and verified for all household members.

The use of the SSN will also be explained. (See FSC 2000.)

5. The worker must assist the applicant in completing the application form, if necessary.
6. The worker must review the information on the application with the applicant and resolve any unclear or inconsistent information.
7. The worker must request needed verification and tell the applicant how to return this information to the county office.

The worker will assist the household in obtaining the needed verification when the worker becomes aware that assistance is needed. A business reply mail (BRM) envelope will be provided to the applicant to return the verification or the applicant may return the information in person.

8. The worker will advise the applicant of the time frames under which his or her application will be processed.
9. The worker will advise the applicant of the consequences of a voluntary quit as explained in FSC 3413.

10. The worker will issue to any applicant not subject to limited reporting a *Change Report Form* (DCO-234) and will advise the applicant to use the form to report changes as explained in FSC 11200.
11. The worker will advise the applicant that the Cooperative Extension Service provides nutrition education, free of charge, in each county.

8250 Interviews Held Out of the Office

04-01-02

Normally, a face to face interview with the applicant is conducted in the county office. However, the office interview will be waived upon request for any household where all the members are aged or disabled and there is no earned income. Out of office interviews will be granted on a case-by-case basis under a hardship provision. Hardship provisions include situations such as but not limited to:

- Transportation difficulties
- Illness
- Hardships due to residency in a rural area
- Situations where the applicant is required to remain in the home to care for an ill or disabled household member
- Prolonged severe weather
- Work hours or training hours that preclude an office interview - e.g., the only member available to come in for the interview works from 8:00 to 4:30 and cannot leave the job

The household may choose to appoint an authorized representative to appear at the interview.

The case record will be documented to reflect why the household requested an out of office interview and why the request was either approved or denied.

The county office has the option of conducting an out-of-office interview either by telephone or through a home visit. (A face-to-face interview must be granted to any household that requests one.) If a home visit is selected, the date and time of the visit must be scheduled in advance with the household.

All normal verification requirements apply to households that have an out-of-office interview. However, special procedures such as the use of collateral contacts may be necessary in order for the household to comply with verification requirements within the 30-day processing period.

The use of a telephone interview or an interview by home visit will not affect the length of the certification period assigned to the household. See FSC 8710 for information about assigning certification periods.

Interviews with Authorized Representatives/Household Cooperation

8260 Interviews with Authorized Representatives**2-01-99**

Interviews with authorized representatives (AR's) will be conducted when requested by the household. An authorized representative is an individual designated on the application form or in writing by the casehead, his or her spouse, or another household member.

Interviews with AR's are conducted in the same manner as interviews with a member of the food stamp household. For this reason, the AR must be an individual familiar with the household's circumstances.

The household is liable for any overissuance of food stamp benefits resulting from erroneous information given by the AR. Therefore, if possible, the casehead, his or her spouse, or another responsible household member should prepare the application or should review the application before its submission to the county office.

See FSC 900 through 986 for full information on authorized representatives.

8300 Household Cooperation**06-01-01**

Before eligibility can be determined, the household must cooperate by:

- Completing and signing the application (with the assistance of the county office worker if such assistance is requested)
- Cooperating in the interview process
- Verifying certain information on the form

Refusal to cooperate with any of these processes will result in denial of the application at the time of the refusal.

Refusal to declare and/or verify a social security number (SSN) for any household member as specified in FSC 2200 will result in the disqualification of that member at the time of the refusal.

A household that is able to cooperate but clearly will not take the actions required to complete the processing of the application for food stamp benefits is considered to have refused to cooperate.

Example: A household that refuses to sign the application form would be denied immediately for refusal to cooperate.

If there is any question about whether a household has refused or failed to cooperate, the application will not be denied, and the DCO county office will provide to the household assistance in obtaining needed information.

Example: A household that fails to appear for an interview is not refusing to cooperate. Therefore, the application will not be denied until the end of the normal processing period.

No household will be denied food stamp benefits solely because someone outside the household failed to cooperate with a request for verification. The term "outside the household" will not apply to ineligible students, ineligible aliens, or to individuals disqualified for one of the following reasons:

- Intentional program violation
- Failure to provide a social security number
- Noncompliance with the work registration requirements
- Noncompliance with the workfare requirements
- Noncompliance with the requirement to work

Households denied for refusal to cooperate may reapply but eligibility cannot be determined until the household cooperates.

See FSC 11110 for information about refusal to cooperate following certification.

8500 **Normal Processing Standards**

10-01-03

The normal processing standard for an initial application and an untimely subsequent application for food stamp benefits is 30 days. Eligible households that complete the initial application process must be given an opportunity to participate in the Food Stamp Program as soon as possible, but not later than 30 calendar days following the date the application was filed. (Day one of the application processing period is the day after the application was filed.)

An application is filed the day the appropriate county office receives an application form containing at least the applicant's name, address and the signature of the applicant, a responsible household member, or the household's authorized representative. See FSC 8100 through 8141 for a full explanation of the filing process.

As per FSC 8503, households found to be ineligible must be sent a notice of denial as soon as possible but not later than 30 days following the date the application was filed. If the 30th day falls on a weekend or holiday, the notice of denial must be sent on the first work day after the 30th day.

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At the time of the application interview, the household will be issued a *Request for Verification* (DCO-191) or *Notice of Delayed Application* (DCO-206) if the application is pended for additional information. The household will be allowed until the 30th day of the application period to furnish needed verification. See FSC 8506.

On the 30th day following the date of application the county must assess each application that is still pending. (If the 30th day falls on a weekend or holiday, this will be the first workday after the 30th day.) A county office worker must review the information found in the case record to determine if the household or the county caused the delay in processing the application. See FSC 8520.

If the county is at fault for the delay in processing, the application will not be denied. Instead, the application will be held for up to 30 additional days from the date of application while the county office and/or the household takes any actions necessary to complete the application process.

A delay will be considered the fault of the household if the household has failed to complete the application process even though the county office has taken all required actions. If the household is at fault for the delay in processing the application, the application will be denied on the 30th day or if the 30th day falls on a weekend or holiday, the first work day after the 30th day.

For a full 60 calendar days after the date of application the applicant retains his or her right to complete the application by supplying all needed information.

If an applicant whose application has been denied on the 30th day supplies all needed information before the 60th calendar day following the date of application, the county must take the following actions:

1. Locate the denied application.
2. Reregister the denied application using the day on which all needed information was supplied as the date of application.
3. Dispose of the application.

The household will not be required to either submit a new application form or have a second interview. If the household reports any changed information, the change must be acted upon before approval of the application.

Each county must develop a system to insure each applicant who was denied on the 30th day retains the right to complete the original application when all needed information is submitted before the 60th day. No system is mandated, but each county must be able to demonstrate compliance with these provisions.

8501 Assigning Appointments

2-01-99

Households should be assigned an appointment for an interview within 20 days of the date of application. If a household misses this appointment, another appointment will be assigned only upon request. If a household misses an appointment for an interview assigned within 20 days of the date of application and does not request another by the 30th day, the application will be denied effective the 30th day. Day one is the day following the date the application is received by the county office. See FSC 8210 for additional information.

8502 Time Frames for Processing Approvals

02-01-99

Eligible households that complete the application process will be provided an opportunity to participate as soon as possible, but no later than 30 days following the date of application. In order to give the household an opportunity to participate by the 30th day, benefits must be authorized on or before the 28th day. In order to meet these mandated time frames, the county office must key the approval no later than the 27th day. If the 28th day falls on a weekend or holiday, the county office must key the approvals far enough in advance so that benefits will be authorized and the EBT card received by the 30th day.

Example: A household filed an application on October 31. The 28th day is on a Monday and that is a holiday. In order for benefits to be received by the 30th day, the approval must be keyed no later than the 24th day.

8503 Time Frames for Processing Denials

10-01-03

Applications submitted by ineligible households will be denied as soon as possible. Applications submitted by households that fail to appear for an interview scheduled by the 20th day and do not request another appointment will be denied effective the 30th day. *(These applications may not be denied before the 30th day of the application-processing period. The application may be denied on the first work day following the 30th day if the 30th day falls on a weekend or holiday. If that is the case, the 30th day will be entered as the effective date of the denial.)*

Households that fail to provide needed verification at the time of the application interview must be allowed until the end of the thirty day application-processing period to provide the needed verification unless the first interview is scheduled after the 20th day of this processing period. When the first interview is scheduled after the 20th day and additional verification is requested, the application must be held pending for up to 10 additional days to await the submission of the requested information. *(Households must be allowed at least 10 days to provide required verification even if an application goes over 30 days and is classified as overdue.)*

EXCEPTION: Households that miss an interview scheduled on or before the 20th day of the application period must complete the application process before the 30th day of the application period. If the household requests a second interview that is scheduled after the 20th day, the household must complete all requirements and supply all information by the 30th day.

When an application is to be denied on the 30th day of the application-processing period, the worker must allow the household the entire day to complete the application. "Allow the household the entire day" means the household may provide the requested verification at any time on the 30th day.

The notice of denial must be sent no later than the 30th day following the date of the application. On the denial notice, the effective day of denial (denial date) will be the 30th day. Even if the 30th day falls on a weekend or holiday, the effective date remains the date of the 30th day. Denial documents should be completed no later than the first work day following the 30th day and no earlier than 30th day. Generally, denial documents should be keyed no later than the second day following the date the document was completed.

If denial documents are completed prior to the time the household supplies needed information on the 30th day, the denial notice will be voided.

8504 **Contents of Denial Notice**

07-01-03

When a household's application is denied, a notice explaining the action will be sent to the household. The Notice of Action (DCO-1) must advise the household of the following information:

- That the application has been denied and the reason for the denial
What action the household must take to reactivate the application
- That the household may continue the application process without submitting another application until day 60 of the application period by providing the required information
- That the household must submit a new application, if, at the end of the 60 day period, the household has not taken the needed action but still wishes to participate in the Program

In most instances an automated notice may be sent to the household. If the denial is based upon the household's failure to submit requested information within 30 days of the date of application, the household retains the right to have the application reinstated by submitting all requested information within 60 days from the date of application. (See FSC 8506, last paragraph.) For initial applications or recertifications that may be reinstated, the county office worker will use either denial reason "Failed to verify income" or "Failed to verify information."

8505 **Summary of Actions on Application Approvals/Denials**

10-01-03

An application for food stamp benefits may be completed as soon as all requirements for an interview, verification, work registration and providing an SSN are met. (See FSC 9440-9448 for special procedures on households entitled to expedited application processing.)

When a household is found eligible to participate in the Program, the worker will complete the following actions:

1. If the applicant is still present, he or she will be verbally advised of the determination of eligibility, the length of the period of certification, and the food stamp benefit amount.
2. For households not subject to the limited reporting requirement, a *Change Report Form* (DCO-234) and a business reply mail (BRM) envelope will be given or mailed to the household unless the applicant still has a DCO-234 that was issued at the time of the interview.
3. If the house is subject to the limited reporting requirement, a *Limited Report Form* (DCO-284) will be issued to the household. If the household will also be subject to semi-annual reporting, the pamphlet, *Food Stamp Semi-Annual Reporting (PUB-260)* must be issued to the household. The limited reporting and, if applicable, the semi-annual reporting process must be verbally explained to the household.
4. The case will be authorized for issuance of benefits.
5. An approval notice must be issued to the household.

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If the household is ineligible, the worker will complete the following actions:

1. If the applicant is still present, he or she will be verbally advised of the reason for ineligibility and the household's rights to an administrative hearing. A *Notice of Action* (DCO-1) will be issued to the household. Either an automated or a manual notice may be issued. The application form will not be returned to the household.
2. The denial will be keyed via the automated system.

8506 Pending Applications

10-01-03

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At the time of the application interview, the county office worker may find that a food stamp applicant must provide additional information/verification in order to establish eligibility. Households that fail to provide needed verification at the time of the application interview must provide all required information by the 30th day of the application processing period unless the first interview is scheduled after the 20th day. If the first interview is scheduled after the 20th day of the application processing period, the thirty day application processing period must be extended to allow the household 10 days to provide the requested information. This rule applies even if the application will be classified as overdue.

EXCEPTION: Households will not have 10 days to provide all needed information if the household missed their first interview that was scheduled before the 20th day and requested another appointment that was scheduled between the 20th and the 30th day. Even if the second appointment is scheduled after the 20th day of the application-processing period the household must complete all requirements before the 30th day.

At the time of the interview, a household will be notified via the *Notice of Delayed Application* (DCO-206) or *Request for Verification* (DCO-191) of the information that must be supplied and of the date by which the information must be provided. The worker must advise the household that the application will be denied if the information is not returned by the date indicated on the DCO-206 or DCO-191. If the missing verification is not received in the county office before the end of the application-processing period (including extensions) the household's application will be denied.

EXCEPTION: When the missing verification is for medical costs, actual utility costs, dependent care costs or child support payments, these costs will be disallowed, and the application will be processed. The application will be denied only if disallowing these costs causes the household to be ineligible. See FSC 6524 for information on verification of medical costs. See FSC 6627 for information on verification of actual utility expenses. If the missing verification is later supplied, the budget will be recalculated to allow the expense. The change will be handled according to the standards for processing changes as stated in FSC 11400.

If a household contacts the county office to report a problem with obtaining verification, the worker may assist the household.

If a household provides requested verification and the worker determines that additional information is needed, either a *Request for Verification* (DCO-191) or *Notice of Delayed Application* (DCO-206) will be issued to advise the household of the missing information and the date by which the information must be provided. However, the application will not be held longer than the 30th day to obtain missing verification. When an application is denied on the 30th day but missing verification is supplied on or before the 60th day, the application will be reinstated. If the household is found eligible, benefits will be prorated from the date the information is supplied.

When a county causes a delay in processing, denial may occur between the 31st day and the 59th day. In these instances, if verification is supplied after the denial date but before the end of the 60th day and the household is eligible, benefits will be prorated from the date of application. See FSC 8520 for additional information.

A household that caused a delay in processing resulting in the denial of the application on the 30th day has a right to reinstatement if the missing information is supplied after the 30th day but before the 60th day. However, if the household is eligible, benefits will be prorated to the date the needed information was supplied. See FSC 8521 for additional information.

8510 Delayed Applications**2-01-99**

Applications that have been neither approved nor denied by the 30th day of the application-processing period are delayed applications. These applications do not become "overdue" until the 31st day of the processing period.

On the 30th day, all delayed applications must be assessed, and the appropriate actions must be taken.

8520 Determining Fault - County Caused Delay**10-01-03**

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The county office is at fault for delays in application processing when the household has completed all required actions but the county office worker has failed to follow processing guidelines or has not:

- Scheduled the first appointment for an interview by the 20th day after the date of application;
- Provided the household with a statement of required verification; or
- Allowed the household sufficient time to provide the missing verification.

The county office is also at fault for the delay if the worker failed in some other way to complete the application process. The county office must take the actions necessary to complete the application process. For example, if all the information required to complete the application has been provided by the household, but the application has not yet been processed, the county must process the application immediately. If not, a notice (DCO-1) must be sent to the household explaining the delay. In cases where verification is incomplete, the county office must have taken one of the following actions:

- Provided the household with a properly completed *Notice of Delayed Application* (DCO-206) or *Request for Verification* (DCO-191)
- Allowed the household sufficient time to provide the missing verification
- Assisted the household to get required verification if such assistance was requested

If the information needed to process the application was not requested via DCO-206 or DCO-191, either a DCO-206 or a DCO-191 will be prepared and mailed to the household. The form must specify the information that must be provided by the 60th day after the date of application. (If the 60th day falls on a weekend or holiday, this will be the first workday after the 60th day.)

FSC – INITIAL APPLICATIONS
Retroactive Benefits/Aggregate Benefits/Certification Periods

8650 to 8700

When a household is entitled to retroactive benefits, the amount of retroactive benefits will be calculated, proration will be applied as necessary, and the retroactive benefits will be authorized.

If a household is not eligible for the current month but is eligible for a prior month or months in the application period, the household will be issued any retroactive benefits.

Example: A household applies for food stamp benefits on March 15th. On May 2nd, the worker determines that the household is currently ineligible and the county was at fault for the delay in processing. The household was eligible for food stamp benefits in March and April, so the worker calculates the household's March and April food stamp benefits. March benefits are prorated to the date of application, March 15. These benefits are authorized as retroactive benefits.

8651 **Aggregate Benefits**

12-01-00

A household that files an initial application after the 15th of the month and is approved by the end of the month of application will be issued aggregate benefits. Aggregate benefits are combined benefits for the month of application and the following month. (If the initial month's benefits are less than \$10, only the benefits for the following month will be issued. Prorated initial benefits amounting to less than \$10 are not issued. See FSC 8610.)

Example: A household submits an initial application on November 21st, and the application is approved on November 29th. On November 30th the household will be issued aggregate benefits for the months of November and December.

Households that apply after the 15th of the month and are certified under expedited service provisions will be issued prorated benefits for the first and second months within the expedited timeframe.

8700 **Certification Period**

2-01-99

A certification period is a designated period of time during which a household is eligible to receive food stamp benefits. Certification periods are based upon calendar months. The month a household applies for food stamp benefits is usually the first month in the certification period even if the application is not approved until a later month.

A household may be determined eligible for the month the application was submitted but not receive any food stamp benefits due to proration. In these cases, the certification period will begin with the month of application even though the household will not receive any food stamp benefits for that month.

Example: A household applies on May 20 and is approved on May 22. Prorated benefits for May are \$8.00; therefore, no food stamp benefits will be issued to the household in May. Regardless, a certification period beginning in May and ending in July is assigned.

When a household is ineligible for a month (or months) in the application period, the certification period begins with the first month of eligibility.

Example: A household applies for food stamp benefits on July 7 and is ineligible for July benefits but eligible for August. The period of certification will begin in August.

Eligibility for food stamp benefits ceases at the end of each certification period. All households participating in the Food Stamp Program must reapply, be interviewed, verify certain information, and be found eligible to participate in the Food Stamp Program before additional benefits will be issued.

Certification periods range in length from 1 month to 24 months and are assigned according to the current household situation.

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8710 **Assigning Certification Periods**

10-01-03

Households will be assigned certification periods as specified below:

1. Households consisting totally of aged/disabled members with no earnings will be assigned certification periods of up to 24 months. A household composed entirely of aged and/or disabled members and minor dependent children will be assigned up to a 12-month certification period.
2. A household composed entirely of SSI recipients will be assigned a 12-month certification period if one or more members have earned income from a sheltered workshop. (These households are classified as occasional reporting households and are not subject to semi-annual reporting.)
3. Households subject to limited reporting (FSC 11340) but not subject to semi-annual reporting will be assigned a 4-month certification period (FSC 11341). This includes:
 - Homeless households as defined in the *Glossary*. (See both the definition of "Homeless Household" and "Homeless Individual.")
 - Migrant and seasonal farmworker households as defined in the *Glossary*. (See both the definition of "Migrant" and "Seasonal Farmworker.")
 - Striker households certified under the provisions in FSC 1700 - 1740
 - Certain households with self-employment income as explained in FSC 5662 - 5691
4. Households subject to both limited reporting (FSC 11340) and semi-annual reporting (FSC 11342) will be assigned a 12-month certification period.
5. Households certified under the expedited provisions will be assigned a one or two month certification period when verification is postponed as described in FSC 9501. (When a household is certified under the expedited provisions but verification does not have to be postponed, the household will be assigned a normal certification period. The length of the certification period will depend on the household's current situation.)

Prioritizing Assignment of Certification Period/ Forms and Notices

6. Households in alcoholism and/or drug addiction treatment centers will usually be assigned a one or two month certification period. (Households admitted to a treatment center or sentenced to a treatment center for a longer period may be given a three month certification period. Certification periods assigned to households residing in a treatment center must not exceed three months.)
7. Households will be assigned a one or two month certification period when it appears likely that the household will become ineligible to receive food stamp benefits in the near future. (This includes households that intend to leave the State in the near future.)

8720 Prioritizing Assignment of Certification Period**10-01-03**

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First, the following households will be assigned a one or two month certification period:

- Households certified under the expedited provisions when verification is postponed
- Households expected to become ineligible in the first or second month of certification

Second, households residing in a alcoholism and/or drug addiction treatment center will be assigned a one, two, or three month certification period.

Third, the following households will be assigned a four-month certification period as explained in FSC 8710:

- Homeless households
- Migrant and seasonal farmworker households
- Households with strikers
- Households with self-employment income when the worker is awaiting verification of the last year's self-employment income

Fourth, households where all members are SSI recipients but at least one member has earned income will be assigned a 12-month certification period but will not be subject to semi-annual reporting.

Fifth, households where all members are age 60 or older or disabled or a minor dependent child will be assigned a 24-month certification period.

Sixth, all other households will be assigned a 12-month certification period and will be subject to semi-annual reporting.

8800 Forms and Notices Supplied at Certification**2-01-99**

Certain forms and notices are provided to all eligible households when an initial application is approved.

See FSC 8810-8830 for an explanation of these forms and notices.

8810 **Approval Notice**

2-01-99

Each eligible household must be provided with an approval notice at initial application and recertification. Approval notices must contain at least the following information:

- The monthly food stamp benefit amount
- For households issued retroactive benefits, an explanation that the first issuance includes benefits for more than one month
- For households issued aggregate benefits, an explanation that the first issuance includes food stamp benefits for the current month and a future month
- Variations in the food stamp benefit amount based on changes anticipated at certification
- The beginning and ending months of the certification period
- The household's right to an administrative hearing
- The telephone number, TDD number, or Arkansas Relay Service number of the county office

Automated notices are issued at application except in the following circumstances:

- Restored benefits are being authorized
- A household is being certified under the expedited provisions of FSC 9000 and verification is postponed
- The household's certification period ends in the current month; or a household is certified for retroactive benefits only
- A member of the household has not verified his or her social security number
- The automated notice does not provide the household with adequate information
- There is no automated notice to address the household's current situation

In these situations, a notice will be prepared manually using the *Notice of Action* (DCO-1). All required information must be included.

8820 **Change Report Form**

10-01-03

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All households must be advised during the application interview of the household's responsibility to report required changes. The change reporting process is fully explained in FSC 11300-11350.

For households subject to limited reporting (FSC 11340), a *Limited Report Form* (DCO-284) will be provided to the household. The household will be instructed in the use of the form.

For households subject to occasional reporting (FSC 11350), if a *Change Report Form* (DCO-234), and a business reply mail (BRM) envelope were not issued to the household during the application interview, a DCO-234 and business reply mail (BRM) envelope will be issued at application approval. The form is available in different formats such as large print. The household will be instructed in the use of the form.

8821 **Semi-Annual Reporting**

10-01-03

Households subject to limited reporting and semi-annual reporting will be given a copy of the pamphlet entitled *Semi-Annual Reporting* (PUB-360) during the interview. The county office worker must explain the contents of the pamphlet to the household.

If, for any reason, semi-annual reporting is not explained to the household at the time of the interview, a pamphlet will be mailed to the household. The household will be instructed to contact the county office if additional information is needed.

8830 **Notice of Food Stamp Certification Expiration**

2-01-99

Each household must receive a *Notice of Food Stamp Expiration* (DCO-239) before the first day of the last month of the household's certification period. DCO-239's are generated around the third workday of the month for all households expiring the following month. The date by which the household must reapply to insure uninterrupted receipt of benefits and the date for the household's interview appear on the DCO-239. A DCO-239 will be manually issued at the time an initial application is approved if the household is being assigned a one or two month certification period. A DCO-239 will also be issued manually if the household is being certified for three or more months but one or more months of the certification period is retroactive and DCO-239's have already been generated for the month in which the certification period expires.

See FSC 10210 for information on completing the DCO-239.

9500 Assigning Certification Periods

11-01-98

Normal certification periods will be assigned to households approved under expedited guidelines if the household has:

1. Provided all required verification;
2. Complied with the SSN requirements; and
3. Complied with the work registration requirements.

Either a one or two month certification period will be assigned to households approved under expedited guidelines if verification was postponed as instructed in FSC 9441.1. A one-month certification period will be assigned when the expedited application was filed on or before the 15th day of the month. A two-month certification period will be assigned when the expedited application was filed on or after the 16th day of the month and approved the same month.

NOTE: When a household submits an expedited application after the 15th of the month and that application is approved before the end of the month, the household is issued aggregate benefits for the month of application and the following month. For this reason, a two-month certification is usually assigned. See FSC 8651 for a full explanation of aggregate benefits.

9501 Recertification of Households Certified With Verification Postponed 11-01-98

At the next certification, any household certified under the expedited provisions with verification postponed must either complete the verification requirements that were postponed or be certified under normal processing standards. See FSC 9441.1 for a full explanation. Therefore, at the next recertification, any household that wishes to continue receiving food stamp benefits must submit a new application and must be interviewed.

At application approval, the county office worker must take the following actions to schedule a recertification interview for expedited households assigned a one or two month certification period because verification requirements were postponed.

1. Schedule a time for the household to appear for its next interview.
2. Provide the household with another food stamp application form.
3. Provide the household with a *Notice of Expiration* (DCO-239) completed according to the instructions in FSC 10210.
4. Provide the household with a manual *Notice of Action* (DCO-1) explaining the terms of the application approval and any items of verification the household must provide prior to recertification.

9510 **Notices/Forms**

10-01-03

Certain forms and notices are provided to all eligible households (including expedited households) when an application is approved.

These forms and notices are listed below. The policy reference indicates where detailed information regarding the form or notices may be found.

Notice of Action (DCO-1) FSC 8810 - The DCO-1 will be issued automatically unless additional information must be provided - e.g., the household is certified pending verification.

Change Report Form (DCO-234) - FSC 11350 - The DCO-234 will be issued to all occasional reporting households. Its use must be explained.

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Limited Report Form (DCO-284) - FSC -11340 - The DCO-284 will be issued to all limited reporting households including those households subject to semi-annual reporting. Its use must be explained.

Food Stamp Semi-Annual Reporting (PUB-360) - FSC 11520 - A pamphlet explaining semi-annual reporting will be provided to any household subject to semi-annual reporting.

9600 **Destitute Households**

10-01-97

Destitute households are migrant or seasonal farm-worker households that have little or no income at the time of application. A migrant is an individual who travels away from home on a regular basis with a group of laborers to seek employment in an agriculturally related activity. A seasonal farm-worker is an individual who travels away from home on a regular basis to seek employment in an agriculturally related activity. Even though a destitute household may receive income at some other time during the month of application, household members may be in immediate need of food assistance.

There are three income-related criteria under which migrant or seasonal farm-worker households may be considered destitute.

1. The household's only income for the month of application is from a new source and no more than \$25 from the new source will be received within 10 calendar days of the date of application.

Income normally received on a monthly or more frequent basis is considered to be from a new source if less than \$25 was received from that source in the 30 days prior to the date of application.

Example: A migrant farm-worker applies for food stamp benefits on July 15th. He reports that he last worked picking tomatoes on June 16th and received \$15.00 in wages for that day's work. He expects to go back to work for the same grower picking okra on July 25th. This income is considered to be from a new source.

10100 Recertification – Summary

10-01-01

When an eligible household reapplies for continued participation in the Food Stamp Program within 30 days of the last day of the month in which the household's certification period expired, the application is classified as a recertification.

Example A household's certification period expires in September. If the household submits another Food Stamp Application before October 30, the application will be classified as an application for recertification.

10200 Receipt of a Notice of Expiration

09-01-94

All currently certified households, including PA households, will be issued a DCO-239, *Notice of Food Stamp Certification Expiration*. The DCO-239 must be received by the household during the next-to-last month in the household's certification period.

Households certified for one month or for two months in the second month of the application processing period must be provided with a notice of expiration at the time of certification.

A household may dispute a county office's decision that an application for recertification was not received in a timely manner. To determine if the household was allowed adequate time to timely file an application, the county office will add two days mailing time to the postmark on the envelope used to mail the DCO-239.

10210 Preparation of Notice of Expiration

10-01-03

The notice of expiration contains the following information.

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- The case number.
- The date the current certification period ends.
- The name of the head of household and the household's address.
- A code (NA or PA) to indicate whether the case is categorized as Public Assistance or Non-public Assistance.
- The address of the office where the application must be filed.
- A statement that the household must appear for any interview scheduled on or after the date by which the application must be timely filed, must complete the processing steps, and must provide all required verification in order to receive uninterrupted benefits.
- A statement that the household is responsible for requesting rescheduling of any missed interview.

Preparation of Notice of Expiration and Timely Applications

- A statement of the household's right to request an application and have the application accepted as long as it is signed and contains a legible name and address.
- An explanation of the consequences of failure to comply with the notice of expiration.
- An explanation of the household's right to request a fair hearing.
- An explanation that any household consisting only of Supplemental Security Income (SSI) applicants or recipients may apply for recertification at a Social Security Office. See FSC 8920.

DCO-239's are run on the night of the third workday of household's next-to-last month of certification. When the DCO-239's are received in the county office, the following information will be added.

- The time and date of the household's interview if one is scheduled via the DCO-239. (See FSC 10510.)
- The date by which the household must reapply.

DCO-239's will be manually prepared and issued to the household when

- The household is certified for one month or for two months in the second month of the application period; or
- When the household is certified for two or three months and the date of certifications occurs too late for a DCO-239 to be automatically generated for the household.

Manually prepared DCO-239s must contain the same information as computer generated DCO-239s. The county office must include an application form with all DCO-239's issued.

Issuance of the Notice of Expiration

Length of Certification Period	When Notice Should Be Issued
One Month	At Time of Certification
Two Month	At Time of Certification
Longer Than Two Month	During the Next-to-Last Month of Certification Period.

10300 Timely Submission of an Application for Recertification

04-01-94

For households certified for one month or for two months, in the last month of the application period an application must be filed within 15 days of the date the DCO-239 is issued, to be considered timely. See FSC 10210 for instructions.

For all other households, an application for recertification submitted by the 15th day of the last month of certification is timely filed.

Timely Reapplication

Length of Certification Period	Last Day to Timely Reapply
One Month	15 Days After DCO-239 Was Issued
Two Month	15 Days After DCO-239 Was Issued
Longer Than Two Months	The 15 th Day of the Last Month in the Certification Period.

10310 Uninterrupted Benefits 10-01-97

An eligible household that submits a timely application for recertification is entitled to uninterrupted benefits. Timely filed applications must be approved or denied by the end of the household's current certification period. If a timely application is approved, the food stamp benefit for the first month of the new certification period must be received at the normal time.

10400 Untimely Submission of an Application for Recertification 06-01-01

Applications received after the household's deadline to timely file but within 30 days of the last day of the month in which the household's certification period expired are classified as untimely applications. A household submitting an untimely application for recertification loses its right to uninterrupted benefits.

Food stamp benefits for the first month of the certification period will not be prorated if the household applies before the end of its current certification period and does not cause any delays in the processing of the application. Benefits will be prorated for eligible households that reapply after their certification period expires even though the application is classified as a recertification.

10500 The Recertification Interview 10-01-97

Households that submit a timely application for recertification must be interviewed before the end of their current certification period.

10510 Scheduling Recertification Interviews 06-01-01

No method of scheduling recertification interviews is mandated. However, each household whose certification period is expiring must be assigned a date and time for an interview. These interviews may be held prior to or during the last month of certification. Any system of assigning interviews must be impartial and flexible enough to allow interviews to be rescheduled, upon request, without unduly delaying the recertification process. To the extent possible, the DHS county office must schedule the interview to accommodate the needs of households with special circumstances, including working households.

Except for households certified for one or two months, there are two options for scheduling recertification interviews.

Option 1 Counties may choose to schedule a recertification interview for all households due for recertification. If this option is chosen, the *Notice of Food Stamp Certification Expiration* (DCO-239) will be used to schedule the date and time for the interview. The date and time designated for the interview must appear on the DCO-239 when it is issued to the household.

Option 2 Counties may choose to wait until the household submits an application before scheduling the date and time for the recertification interview. If this option is chosen, a *Notice To Recipients* (DCO-231) will be sent to the household along with the DCO-239. An identifying mark or stamp will be entered on the application so the county can handle it appropriately when it is returned. Any household that submits a timely filed application (returned on or before the 15th day of the month) will be given a date and time to appear for an interview before the end of the month. The appointments should be scheduled early in the month to allow time for rescheduling missed interviews.

Households certified for one or two months and given a manually prepared DCO-239 as instructed in FSC 10210 will be scheduled a date and time for an interview at the time the DCO-239 is prepared.

10520 Failure to Attend Scheduled Interview

10-01-03

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If a household timely files an application and fails to appear for an interview, the application will not be denied at the time the household fails or refuses to appear for the interview. Another interview will be scheduled upon the household's request. If the household appears for the rescheduled interview but additional information is needed, it may be necessary to extend the application-processing period by up to 10 days to allow the household adequate time to provide the information. See FSC 10630. To allow households time to request a second interview, all interviews for recertification should be scheduled as early in the month as possible.) If another interview is not requested, the application will be denied on the last day of the household's current certification period or the first work day following the last day of the certification period.

If a household files an untimely application after missing the original interview, another appointment for an interview will be scheduled, and the household's application will be processed in accordance with FSC 10700, "Processing Untimely Applications for Recertification."

10530 Out-of-Office Interviews

01-01-96

Households entitled to an out-of-office interview under the provisions of FSC 8250 are also entitled to an out-of-office interview at recertification.

10540 Use of the Rights and Responsibilities Pamphlet**01-01-96**

During the recertification interview, the worker will issue to the household a copy of the pamphlet entitled *Your Rights and Responsibilities*, (PUB-279). The contents of the pamphlet will be briefly explained to the person being interviewed. This person will be asked if they understand the contents of the pamphlet. If they indicate they do, it will not be necessary to cover the rights and responsibilities in depth. If they indicate they don't understand the pamphlet, a full explanation will be given.

10550 Verification at Recertification**10-01-03**

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When either a timely application for recertification or an untimely application for recertification is processed, the county office worker must verify changes in income or actual utility expenses if the source has changed or the amount has changed by more than \$50. Previously unreported medical expenses and the total of non-recurring medical expenses that have changed by more than \$50 must also be verified.

Income, total medical expenses or actual utility expenses that the household claims have changed by \$50 or less need not be verified unless this information is incomplete, inaccurate, inconsistent or outdated. (*See the Glossary, definition of "Verification" for an explanation of these terms.*)

Alien status, identity, residency, and social security numbers will be verified if there has been a change. For example, if a new household member were added, that member would be required to furnish verification of his or her SSN in compliance with FSC 2200. Unchanged information will not be verified unless the reported information is incomplete, inaccurate, inconsistent or outdated as defined in the *Glossary*.

The county office worker must assist the household in obtaining such verification if assistance is needed.

10560 Determining Eligibility**09-01-94**

At recertification, eligibility will be determined prospectively for all households. See FSC 7100 for full instructions on determining eligibility prospectively.

10600 Timely Processing of Applications for Recertification**04-01-94**

Timely filed applications for recertification, as defined in FSC 10300, will be processed in accordance with the standards specified in FSC 10610 - FSC 10640.

10610 **Thirty Days After Last Benefits Were Issued**

10-01-03

A timely filed application from a household that was certified for one or two months and provided with a DCO-239 at the time of certification (see FSC 10200) must be processed within 30 days of the date the household's last food stamp benefits were issued.

Processing includes the following items.

1. Determining the household's eligibility or ineligibility. See the *Glossary*, definition of "Verification", for the items that must be verified at recertification.

 - Notifying the household via DCO-1, *Notice of Action*, of this determination. DCO-1's are automatically issued at recertification for most approvals and denials. See the Food Stamp Automated Notices Appendix.
 - For eligible households, authorizing issuance of the food stamp benefits as explained in FSC 14000.

Example A household applied on June 26th and was approved on July 23rd for June and July. The date by which the household must submit a timely reapplication is August 7th. The household submitted its application for recertification on August 6th. The application for recertification must either be approved or denied by August 22nd.

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NOTE: The application must not be denied before the 30th day unless the household is determined to be ineligible. The household must be given the full 30 days to provide need information.

10620 **By End of Current Certification Period**

10-01-03

When a household timely files an application by the 15th day of the last month of its certification period, the application must be approved or denied by the end of the certification period unless the household must be allowed additional time to provide information. See FSC 10630.

Processing includes the following actions:

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- Determining the household's eligibility or ineligibility. See the *Glossary*, definition of verification, for the items that must be verified at recertification. *(If the household must supply verification, the county office worker will issue a Request for Information [DCO-191]. If the household needs assistance in obtaining the needed information, the worker will provide this assistance)*
- Notifying the household via DCO-1, *Notice of Action*, of the county's determination that the household is eligible or ineligible. DCO-1's are automatically issued at recertification for most approvals and denials.

Processing Timely Applications/Extending Processing Time

- For eligible households, authorizing issuance of the food stamps via regular extract. Regular extract occurs on the night of the last work-day of each month.

NOTE: The application must not be denied before the last day of the last month of the current certification period unless the household has been determined to be ineligible. The household must be given at least until the last day of the last month of the current certification period to provide needed information. If holding the application until the last day of the last month of the current certification period will not give the household 10 days to provide the needed information, the household's application processing time must be extended. See FSC 10630.

10630 Extending Processing Time to Obtain Verification**10-01-03**

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If the household must supply verification, the county office worker will issue a *Request for Verification* (DCO-191) or a *Notice of Delayed Action* (DCO-206). If there is less than 10 days between the date of the interview (including rescheduled interviews) and the end of the household's current certification period, the application processing time must be extended. For example, if a household is interviewed on June 26th and must supply additional verification, the application processing period will be extended until July 6th or if the 6th occurs on a holiday or weekend, the first work day following the 6th.

A household submitting a timely filed application for recertification will normally have until the last day of their current certification period to provide all required verification. If the 10-day period that must be allowed for supplying verification ends after the expiration of the current certification period, the time allowed for processing the application must be extended. For example, if a household is interviewed on June 26th and must supply additional verification, the application-processing period will be extended until July 6th or if the 6th occurs on a holiday or weekend, the first workday following the 6th.

If the deadline for providing missing verification occurs after the end of a household's current certification period and the verification is provided by the deadline, the recertification must be completed within 3 days of receipt of the verification. Food stamp benefits must be issued to an eligible household no later than the 5th day after the date the verification was supplied. The household's benefits will not be prorated.

Example A household timely submits its application for recertification and is interviewed on July 26th. Verification of income is requested. The household's deadline for providing the verification is August 5th. Verification is provided August 1st. The application is approved on August 4th, and the household's food stamp benefits must be authorized by August 6th.

If a household does not supply the missing verification on or before the extended deadline, the application will be denied. However, if the household submits the needed information within 30 days of the last day of the end of the household's last month of certification, the application will be reinstated. See FSC 10650.

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10640 (Adjusting the BD Date) DELETED EFFECTIVE 10-01-03

10650 Delays in Processing –Timely Filed Applications 10-01-03

A timely filed application from a household certified for one month or two months is one that was submitted within 15 days after the date that the *Notice of Expiration* (DCO-239) was issued. A timely filed application from a household certified for three months or longer is one that was submitted before the 15th day of the last month of the certification period.

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NOTE: Timely filed applications must not be denied before the end of the application processing period unless the household has been determined to be ineligible. The application must be held until the end of the application processing period if the household does not provide requested verification.

All timely filed applications not approved or denied by the end of the household's current certification period must be assessed to determine if the household or the county office was at fault for the delay in processing. FSC 10660 provides information about determining fault when there is a delay in processing.

If the county is at fault for the delay in processing a timely filed application, the household's food stamp benefits will be authorized as soon as possible. Benefits for the first month of the new certification period will not be prorated. If the household is at fault for the delay in processing,

If the household does not complete the application process, the application will be denied. However, if the household takes the actions needed to complete the application process within 30 days of the last day of the household's last certification period, the application will be reinstated. See FSC 10800 for additional information. If the application is denied and is later reinstated but the household was unable to participate in the first month of its new certification period due to a agency-caused delay in processing, restored benefits must be provided to the household for that month.

FSC 10660 deleted effective 6-01-01.

Summary

11100 Summary

10-01-03

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Ongoing food stamp eligibility and benefit amounts 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 limited reporting. Occasional reporters are subject to the regular reporting requirements. This means that the household must report specified changes within 10 days of the date the change becomes known.

Limited reporters are required to report when the household's gross income exceeds the household's gross income limit on or before the last calendar day of the month following the month in which the change occurred. If the last calendar day falls on a weekend or holiday, the reporting time will be extended to the end of the first workday of the following month. Some limited reporting households are assigned a 4-month certification period. These households have no other reporting requirements. Other limited reporting households are assigned a 12-month certification period. These households must submit a semi-annual report. On the semi-annual report, the household must report and verify all earned income and report changes in residence, household composition, unearned income and resources. See the chart below for additional information about the reporting requirements.

Limited Reporting Households/ No Semi-Annual Report	Limited Reporting Households/ Must Submit Semi-Annual Report	Occasional Reporting Households
1. Homeless households	1. Households with earned income or a combination of earned and unearned income	1. Households entitled to be assigned a 24-month certification period because all members are aged or disabled or minor dependent children and there is no earned income
2. Households with members who are on strike	2. Households with unearned income when all household members are not aged or disabled or minor dependent children	2. Households where all members have SSI income but are assigned a 12-month certification period because at least one member has earned income
3. Migrant and season farmworker households	3. Households where all members receive TEA cash assistance	3. Expedited households assigned a one or two month certification period because of postponed verification
4. Households with self-employment income when assigned a four-month certification period	4. Households with self-employment income when assigned a twelve-month certification period	4. Households assigned a one or two month certification period because the household is expected to become ineligible
		5. Households residing in alcoholism and/or drug addiction treatment centers

11110 Subsequent Reviews

06-01-01

DHS county offices may not establish a rule requiring all or any particular part of their case load to appear for an in-office interview during their certification period. However, the household may be requested to appear for an interview on a case-by-case basis. For example, the DHS county office may not require food stamp households to report for an in-office interview simply to review their case files or for any other reason. This will not apply to requests by field or fraud investigator or QA reviewers. Households must comply with requests for subsequent eligibility reviews as explained in FSC 11120.

11120 Refusal to Cooperate Following Certification

10-01-03

If a household currently participating in the Food Stamp Program refuses to cooperate in any subsequent eligibility review, the food stamp case will be closed. Subsequent reviews include:

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1. Requests for information, verification or compliance with a program requirement following a report of a change by the household. (See FSC 11420, FSC 11440 and 12400 for instructions.)
Requests for information, verification or compliance with a program requirement following a report from a source other than the household. (See FSC 12440 for instructions.)
2. Requests for information, verification or compliance with a program requirement at recertification. (See FSC 10550 for instructions.)
3. Requests for an interview and/or information necessary to complete a Quality Assurance review including the household's signature on consents for information needed by the Quality Assurance worker (See FSC 801 for instructions.)
4. Requests for the household to participate in any special reviews conducted by the county for targeted households. (See FSC 12400 for instructions.)

Any household that refuses to cooperate in a subsequent eligibility review may reapply for food stamp benefits, but will not be found eligible until the household cooperates with the county office. There is one exception. A household that refuses to cooperate in the Quality Assurance Review process may reapply after the end of the review period and be found eligible. See the Glossary, definition of "Household Cooperation", for an explanation.

11200 Changes Required to be Reported

10-01-03

The following changes must be reported to the DHS county office:

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1. Changes in Residence and/or Address

All changes in residence 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. For occasional reporters as defined in FSC 11100, these changes must be reported within 10 days of the date the change becomes known to the household. For semi-annual reporters as defined in FSC 11100, these changes must be reported on the semi-annual report. (We suggest that households voluntarily report address changes immediately to prevent problems with mail delivery.)

NOTE: If a county office worker verifies through any source that a household has moved from Arkansas to another state, the household's case must be closed. This policy applies across the board to all food stamp households regardless of the household's reporting requirements. No advance notice is required. See FSC 11450 and FSC 11571. If the worker suspects the household has moved from the State but the household's residency has not been verified through a reliable source, a request for contact will be sent as instructed in FSC 12400.

2. Changes in Household Composition

The addition or loss of any eligible or ineligible household member must be reported. For occasional reporters, this change must be reported within 10 days of the date the change becomes known to the household. For semi-annual reporters, this change must be reported on the semi-annual report.

3. Changes in Resources

The acquisition of any licensed vehicle must be reported. (This includes the acquisition of an additional vehicle or the "trading" of one vehicle for another one.)

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

For occasional reporters, these changes must be reported within 10 days of the date the change becomes known to the household. For semi-annual reporters, these changes must be reported on the semi-annual report.

4. Changes in Income

Limited reporters (including both households with 4-month certification periods and semi-annual reporters) are required to report when the household's gross income exceeds the household's gross income limit. This change must be reported on or before the last calendar day of the month following the month in which the change occurred. If the last calendar day falls on a weekend or holiday, the reporting time will be extended to the end of the first workday of the following month. A *Limited Report Form* (DCO-284) must be issued to all limited reporting households to be used to report such changes. In addition, all semi-annual reporters must report and verify all earned income when the semi-annual report is submitted. (Exception: Self-employment income that has been annualized need not be reported and verified when the semi-annual report is submitted.) Semi-annual reporters must report and verify changes of more than \$50.00 in unearned income and changes in sources of unearned income when the semi-annual report is submitted.

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 that has stopped.
- Changes of more than \$50 in the household's total gross monthly income. This includes both increases and decreases in income.

Neither changes in TEA cash assistance payments nor the receipt of child support refunds paid to TEA recipients need be reported by either limited reporters (including those limited reporters subject to semi-annual reporting) or occasional reporters. These changes must be reflected in the household's food stamp benefit amount. See FSC 12410 - 12420 for an explanation of the requirement to process changes in TEA cash assistance when they occur. (This applies to both limited reporters and occasional reporters.) See FSC 5704.1 for instructions on handling child support refunds.

5. Changes in Deductions

Limited reporters with 4-month certification periods do not have to report changes in deductions until recertification. Limited reporters who must submit a semi-annual report must report and verify child support payments when the semi-annual report is submitted if these payments are to continue to be deducted. Both occasional reporting and semi-annual reporting households are allowed, but not required to report changes in shelter costs (see item 1 above for an exception), dependent care costs and medical costs.

11300 Reporting Requirements

09-01-99

11310 Applicant Households

10-01-03

During the application interview, all applicants must report changes that occur after the application is prepared. After the application interview occasional reporters must report changes that occur after the interview but before the application is approved within 10 days of the date of the approval notice. (NOTE: Limited reporting households do not have to report changes that occur after the interview but before the application is approved. Limited reporters must report only report changes as described in FSC 11340.)

11320 Categorically Eligible Households

10-01-03

57 Categorical eligibility is explained in FSC 1920. Categorically eligible households have the same reporting requirements as any other 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.

58 **FSC 11330 Deleted Effective 10-01-03**

11340 Limited Reporting Households

59 Limited reporting households are required to report:

1. When the household's gross income exceeds the household's gross income limit.
2. In counties without a waiver of the requirement to work, when household members subject to this requirement begin to work less than 20 hours per week.

These changes must be reported on or before the last calendar day of the month following the month in which the change occurred. If the last calendar day falls on a weekend or holiday, the reporting time will be extended to the end of the first workday of the following month. A *Limited Report Form* (DCO-284) must be issued to all limited reporting households at certification and recertification.

Two different categories of households are subject to the limited reporting requirements - households certified for four months (see FSC 11331) and households subject to semi-annual reporting (see FSC 11332).

FSC 11341 Households Certified for Four Months

60 The following households may be assigned a four-month certification period as explained in FSC 8710:

- Homeless households
- Households with members who are on strike
- Certain self-employed households
- Migrant and seasonal farmworker households who expect to remain in the state

Households assigned a four-month certification period have no additional reporting requirements. All changes in the household's circumstances must be reported at the household's next certification or recertification. Changes reported before the household's next recertification will be processed according to the standards in FSC 11410. Any action taken in a TEA and/or Medicaid case must also be reflected in the food stamp case. This includes changes reported to a TEA and/or Medicaid worker under that Program's rules.

11342 Semi-Annual Reporting Households

10-01-03

61

In addition to the reporting requirements in FSC 11330, semi-annual reporting households as defined in FSC 11100 must report and verify earned income when the semi-annual report is submitted. Other changes as specified in FSC 11200 must be reported only when the semi-annual form is submitted.

Changes reported independent of the semi-annual reporting system will be processed according to the standards in FSC 11410. Any action taken in a TEA and/or Medicaid case must also be reflected in the food stamp case. This includes changes reported to a TEA and/or Medicaid worker under that Program's rules. Changes in the amount of TEA cash assistance must be reflected in the food stamp case. This applies to both limited reporting and/or semi-annual reporting households and to occasional reporting households. See FSC 12410-12420 for additional information.

A semi-annual reporting household that fails to report a change on a semi-annual report form issued after the household becomes aware of the change but before the next recertification or initial application 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 semi-annual 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

10-01-03

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Currently, households classified as occasional reporters as explained in FSC 11100 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 that 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

09-01-99

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.

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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

09-01-99

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 must occur.)

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.

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

10-01-03

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

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- A change of more than \$50 has been reported. (Verification is not required if the change is \$50 or less.)
- The income is from a new source.
- Income from any source has stopped.
- The reported information appears to be inaccurate.
- The reported information is incomplete.
- 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 a request for contact. See FSC 12400. If the household responds to the request for contact and supplies verification which results in a decrease in benefits or a case closure, an 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 deadline specified on the request for contact (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 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. An advance notice of adverse action must be issued to advise the household of the case closure or decrease in benefits.

11430 Shortening the Certification Period

10-01-03

64

County office workers may not shorten the certification period of households that are participating in the Food Stamp Program unless the household is ineligible. See FSC 12400 for additional instructions.

There is one exception. A 24-month certification may be shortened when a household's circumstances change and the household is no longer eligible for a 24-month certification period. However, before a certification period can be shortened, an advance notice of adverse action must be issued to the household.

When a change is keyed to a case with a certification period longer than 12 months and the household is no longer eligible for the longer certification period, a system edit requires that the household's certification period be shortened. The new certification period must end ***two full months*** after the change becomes effective. (*For example, if the change will become effective in July, the certification period will end in September.*) This allows for the automatic generation of a *Notice of Expiration* (DCO-239).

To shorten a 24-month certification period the county office worker must:

- Run a budget to determine the results of the action. Shorten the certification period to expire two months from the date of expiration of the advance notice of adverse action. (*This will allow time for the DCO-239 to be automatically generated.*) Do not submit the budget to the Mainframe.
- Make the increase effective with the next month's benefits if, as a result of the change, the household's benefits will increase. (*Supplemental benefits may be required.*) Make the decrease effective with the first month following the expiration of the NOAA if benefits will decrease.
- Manually prepare an advance notice of adverse action (NOAA) to advise the household that the certification period will be shortened. If the change will result in an increase or decrease in benefits, the NOAA must also advise the household of the change in benefits.
- Submit the budget to the mainframe if the household does not appeal the action during the 10-day adverse action period. If the household appeals the action, do not submit the budget until the hearing is conducted.

11440 Notices to Occasional Reporters

09-01-99

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.

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.

11450 Special Situations/Exemptions From Notice

09-01-99

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 that 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 Food Stamp Glossary Appendix, 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 that 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

10-01-03

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 \$50 or less	None	10 days	VIO	NOAA or AN
INCOME – Increases by more than \$50	Within 10 days of date known	10 days	VIO	NOAA or AN
INCOME – Decreases by less than \$50	Within 10 days of date known	10 days	VR	AN
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 know.	10 days	Entitlement to Standard VQ Actual Utility costs VS25	<u>AN</u>
CHILD SUPPORT	None	10 days	VR	NOAA
DEPENDENT CARE COSTS	None	10 days	VQ	NOAA or AN
MEDICAL COSTS	None	10 days	VS25	NOAA or AN

See the next page for an explanation of the codes used on this chart.

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 Semi-Annual Reporting Households

10-01-03

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Households subject to semi-annual reporting will be assigned a mandatory 12-month certification period and required to submit one report in the sixth month of their certification period. At the end of the 12-month period, the household must be recertified.

11510 Households Subject to Semi- Annual Reporting

10-01-03

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All food stamp households except those listed below are subject to the semi-annual reporting requirements. The households listed below are not required to submit a semi-annual report:

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 assigned a 12-month certification period and will be subject to the semi-annual reporting requirements.*
2. Migrant and seasonal farm worker households. (See the *Glossary* for the definitions of a migrant household and a seasonal farm worker household.) These households have limited reporting requirements, but are not required to submit a semi-annual report.
3. Households certified under the expedited provisions when verification is postponed. (See FSC 9441.) These households will be certified for one or two months. They will be classified as occasional reporting households.
4. Households residing in a drug and/or alcohol treatment center. (See FSC 1820.) These households will be assigned a one to three month certification period. They will be classified as occasional reporting households.

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5. Households with a member participating in a strike. (See FSC 1700.) These households have limited reporting requirements, but are not required to submit a semi-annual report.
 6. Households composed entirely of SSI recipients when one of the SSI recipients has earned income from a sheltered workshop will be assigned a 12-month certification period but will not be subject to semi-annual reporting. These households will be classified as occasional reporting households. EXCEPTIONS - Any SSI household with a child support deduction and any SSI household with earnings from employment other than a sheltered workshop will be will be subject to semi-annual reporting.
 7. Households assigned a one or two month certification period under the policy in FSC 8710. Households will be assigned a one or two month certification period when it appears likely that the household will become ineligible to receive food stamp benefits in the near future. (This includes households that intend to leave the State in the near future.) These households will be classified as occasional reporting households.

Households consisting entirely of aged and/or disabled individuals, as defined in the *Glossary*, and minor dependent children. These households will be classified as occasional reporting households and assigned a 24-month certification period. EXCEPTION: Any of these households with earned income will be subject to semi-annual reporting unless the earned income is paid to an SSI recipient who is working in a sheltered workshop. See item 6 above.

11520 Entering Semi-Annual Reporting

10-01-03

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A household may only enter semi-annual reporting when an initial application or an application for recertification is approved. In the following situations a household must be given a full explanation of semi-annual reporting:

- When a household enters semi-annual reporting for the first time.
- When a household was not subject to semi-annual reporting 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 semi- annual report form in the sixth month of the certification period including a brief explanation of how to complete and return the form.
- That limited reporting household must report certain changes, and what those changes are, and how to report them. (*A Limited Report Form [DCO-284] will be issued to the household.*)
- That the household is allowed to report other changes at any time.
- That failure to return the semi-annual report will result in case closure.

At the recertification interview, a pamphlet and an abbreviated explanation of semi-annual reporting will be furnished to households subject to the semi-annual reporting requirement. This explanation may consist of:

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

11530 Processing Standards

10-01-03

69

One semi-annual reporting form will be generated during a 12-month certification period. The semi-annual report month will be based on the date of application not the date of application approval.

EXAMPLE - An application is submitted on April 16. Regardless of whether the application is approved in April or May, the semi-annual report form will be processed during the month October. The household will be recertified in March.

When a household is recertified, the semi-annual report form will be processed six full months into the new certification period.

EXAMPLE - A household applies and is recertified in December. The new certification period begins in January. The semi-annual report form will be processed in June. The household will be recertified again in December.

Semi-annual 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 following month. The household must submit a semi-annual report form before the end of the report month, or the case will automatically close. Semi-annual 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.

Semi-annual 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 has been completed and keyed, or 2) that a *Semi-Annual Reporting Request for Information* has been issued to request required verification. Households required to submit verification must be allowed until the end of the report month to provide requested information unless this will allow the household less than 10 days to provide the verification.

If the household submits a semi-annual report before the end of the report month but the county does not key a case action by the end of the month, the case will automatically close. If the household is later determined to be eligible, the case must be reinstated. For example, if the SR form is submitted on the last day of the month, but county office worker requests required verification, the case will close. If the verification is received from the household within the specified time, the SR must be processed and the case reinstated if the household is eligible. (Households that are not eligible must be issued an adequate notice advising them of the reason for the ineligibility.)

11531 Semi- Annual Households - Special Circumstances

10-01-03

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Occasionally, a semi-annual reporting household will report a change in the last twenty days of the fifth month of the certification period. The change must be processed if there is adequate time to affect the household's benefits for the sixth month of the certification period. If not, the change will be processed when the semi-annual report is processed.

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

Situation 1 - In the first two weeks of the fifth month, a semi-annual reporting 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 sixth month of the certification period, the change will be processed immediately. If not, the change will be processed when the semi-annual report form is submitted.

Situation 2 - In the last two weeks of the fifth month of the certification period, a semi-annual reporting household reports a change. Verification is requested. The household does not submit the verification before the semi-annual report form is extracted. The household submits the semi-annual report form.

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

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

- a) If the semi-annual report form was sent to the household before the 10 day notice of adverse action expired, the case will remain open and the semi-annual form will be processed..
- b) If the semi-annual report 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 semi-annual report 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 semi-annual report form.

11540 Completion of the Semi-Annual Report Form

10-01-03

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A copy of the semi-annual report will be issued to each county office. The form will also be available on DHS Gold. The form may be accessed through DHS Gold, printed and provided to any household that requests a semi-annual report form for any reason.

The names and birth dates of the case head and all household members must be entered on the form. The form must be signed by the case head or other responsible household member or the authorized representative. Forms that 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 case head. (Workers entering information on the form 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 *Notice of Required Verification* (DCO-218), explaining that if the form is not returned by the date indicated on the DCO-218, 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 Semi-Annual Report Form

10-01-03

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

1. Verification of earned income.
Exceptions: Self-employment income that has been annualized need not be reverified when the semi-annual report is submitted. Contractual income that has been annualized need not be reverified when the semi-annual 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 \$50.00.
(Verification is not required if the change is \$50 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 semi-annual report.

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

When the semi-annual report is processed, the budget will be calculated 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 six-month period. See FSC 7512 and FSC 7523 - 7523.2 for additional information.

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

- Declared unearned income is more than \$50 higher or lower than the last report but no verification was supplied;
- Information supplied about the household's earned or unearned income is incomplete;
- The household has reported earned or unearned income from a new source but no verification was supplied;
- The household is no longer reporting unearned income from a previously declared source;
- 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
- The household's expenses exceed its income and unreported income and/or unreported household members are suspected. ***(NOTE: Verification is NOT REQUIRED at every report where the expenses reported by the household exceed the household's income. However, verification is allowed if the worker feels the household's situation is QUESTIONABLE. See below for additional information.)***

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 \$50.00, 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 *Notice of Required Verification (DCO-218)* accompanied by a BRM envelope. The deadline for providing required verification must always be the last day of the report month unless the deadline must be extended. *(If necessary, the deadline must be extended into the month following the report month to allow the household a full 10 days to provide required verification. 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.)*

Eligible households furnishing the required verification before the specified deadline but after the case has closed will be reinstated. An adequate notice will be issued to ineligible households as explained in 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.

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

10-01-03

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.

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For semi-annual reporting households, reports from the Income and Eligibility Verification System (IEVS) will be processed only when the semi-annual reporting form is processed. IEVS reports generated on semi-annual 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 semi-annual reports are processed.

IEVS reports received during the first six months of the certification period 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 first six months of the certification period, only the most recent mismatch report will appear on the screen. If there were no matches during the first six months of the certification period, the screen will contain the following message - "NO MATCHES FOR THIS MEMBER." Each time a semi-annual report 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 semi-annual 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 on the following page 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

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

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 Semi-Annual *Notice of Required Verification* (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 a reduction in food stamp benefits 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

10-01-03

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The deadline for providing required verification of IEVS information will be the end of the semi-annual report month. However, If necessary, the deadline will be extended into the month following the report month to allow the household 10 days to provide the requested verification. If the household furnishes the required verification before the specified deadline but after the case has closed, eligible households will be reinstated. 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

10-01-03

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For counties that choose to receive paper reports, changes that occur on the IEVS screen after the IEVS report is generated are not required to be processed. For counties that choose to print the IEVS screen, the screen must be printed after the semi-annual report is received in the county office. Changes that 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 semi-annual report month. However, if the screen is accessed before the semi-annual report is processed, any changes that appear on the screen must be handled as part of the semi-annual report.

11570 Notices - Semi-Annual Reporting Households

10-01-03

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An adequate notice will be issued to any household whose food stamp benefit amount changes as a result of information reported on the semi-annual 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.

11571 Special Situations/Exemptions From Notice

10-01-03

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In the situations listed below adverse action may be taken on a semi-annual 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 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 Food Stamp Glossary Appendix, 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 that 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.

11580 SUMMARY CHART

10-01-03

SEMI-ANNUAL REPORTING (SR)

Type of Change	Reporting Requirements	Processing Standard	Verification Code	Notice Code
Earned Income	When SR forms is submitted	End of report month	VR	AN
INCOME – Change in source	When SR form is submitted	End of report month	VR	AN
UNEARNED INCOME – Increases or decreases by \$50 or less	None	End of report month	VIO/VQ	AN
UNEARNED INCOME – Increases by more than \$50	When SR form is submitted	End of report month	VIO	AN
UNEARNED INCOME – Decreases by less than \$50	When SR form is submitted	End of report month	VR	AN
UNEARNED INCOME – Decreases by \$50 or more	When SR form is submitted	End of report month	VR	AN
LIQUID RESOURCES Reach or exceed \$2,000	When SR form is submitted	End of report month	VIO	AN
VEHICLES Acquires a vehicle	When SR form is submitted	End of report month	VIO	AN
MOVE TO A NEW RESIDENCE	When SR form is submitted	End of report month	VQ	AN
HOUSEHOLD MEMBER – Enters home	When SR form is submitted	End of report month	VQ	AN
HOUSEHOLD MEMBER – Leaves home	When SR form is submitted	End of report month	VQ	AN
SHELTER COSTS	Only if change of residence – If so, when SR form is submitted	End of report month	Entitlement To Standard – VQ Actual Utility Costs – VS25	AN
DEPENDENT CARE COSTS	None	End of report month	VQ	AN
CHILD SUPPORT	None	End of report month	VR	AN
MEDICAL COSTS	None	End of report month	VS25	AN

See the next page for an explanation of the codes used in this chart.

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.

11600 Midpoint Reviews on 24 Month Certifications

09-01-99

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-44s 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-244 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

09-01-99

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.

11620 Interviews

10-01-03

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There is no requirement for a formal interview at the midpoint review. An informal interview may be conducted when information reported on the form is inaccurate, inconsistent or incomplete. (See the Glossary, definition of "Verification" for definitions of the terms "inaccurate", "inconsistent", and "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 at Midpoint Review* (DCO-103).

11630 Processing Midpoint Review Forms

09-01-99

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. 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.

Summary

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.

<u>TYPE OF CHANGE</u>	<u>POLICY REFERENCE</u>
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. Households that do report a change in shelter costs when the midpoint review is submitted have the right to choose between using the actual utility costs or the utility standard in the food stamp budget when the midpoint review is processed.

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 becomes ineligible, the case will be closed unless the household is categorically eligible as explained in FSC 8961.

11640 Handling Medical Expenses

06-01-01

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.

When an applicant household is assigned a certification period longer than 12 months, the household will be given the following options for handling one-time medical expenses incurred by the household during the first 12 months:

- Deducting the expense for one month; or
- Averaging the expense over the remainder of the first 12 months of the certification period; or
- Averaging the expense over the remainder of the entire 24-month certification period.

Any one time medical expenses that 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. Any expenses no longer being incurred by the household must be dropped from the budget, and new expenses must be added to the budget.

When a one-time medical expense is reported at the midpoint review or during the second 12 months, the household will be given the following options:

- Deducting the expense for one month; or
- Averaging the expense over the remainder of the certification period.

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.

11650 Notices

06-01-01

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. (These notices may be system generated or completed manually on a *Notice of Action* (DCO-1).

11700 Mass Changes

09-01-99

Mass changes are based on legislative or regulatory actions that affect all or a substantial portion of the statewide food stamp case load. Households are not responsible for reporting changes that 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
- 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 that cannot be automatically adjusted will be processed manually. Manually processed COLAs must be reflected in the food stamp case 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

09-01-99

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

09-01-99

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

09-01-99

This report is generated at every mass change under various titles. It is provided mainly for reference. The information that appears 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

09-01-99

This report is generated at a mass change when income on the food stamp file must be matched to income on other files. Changes that 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 that 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 that 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

09-01-99

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

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

09-01-99

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.

12100 Summary

10-01-03

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All reported changes are handled in much the same fashion regardless of the source of the report. For example, a budget prepared as the result of a change in income would be the same for a limited reporting household as for an occasional reporting household.

This section provides instructions for processing reported changes. Unless otherwise specified, these instructions will apply uniformly to all reported changes.

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12110 Intentional Failure to Comply With A Program Requirement

10-01-03

Food stamp benefits will not be increased when benefits received under another means-tested Federal, State or local welfare or public assistance program, like Transitional Employment Assistance (TEA) or SSI, are reduced, suspended or terminated due to intentional failure to comply with a requirement of that program.

Example - A household's food stamp benefits will not be increased if a member's TEA cash assistance is reduced because he or she intentionally failed to comply with a TEA requirement.

The prohibition against increasing food stamp benefits will last no longer than the duration of the penalty imposed by the TEA or SSI Program and will be applied concurrently with the TEA or SSI sanction. Should the TEA or SSI sanction end because the household has complied with the TEA or SSI Program requirement, the prohibition against increasing food stamp benefits will also end.

The DCO county worker is not required to make any decisions about whether a failure or refusal to comply with an SSI Program requirement was intentional. The worker must simply verify if a known decrease in SSI benefits resulted from an intentional failure to comply with the requirements of that program.

If an adverse action to an SSI benefit is not specifically identified as resulting from an "intentional" failure to comply, the reduced benefit amount will be shown in the food stamp budget so long as there has been a good faith effort to get information about the reason for the action. If an adverse change in an SSI check is due to a readily identifiable change such as, but not limited to, receipt of additional income, SSA need not be contacted for information about the reason for the change.

Example - An SSI check is reduced. The reason for the reduction is unknown. The worker cannot get any information from SSA to confirm that the reduction is due to an intentional failure to comply with an SSI Program requirement. The new, reduced SSI amount will be shown in the food stamp budget. All efforts to obtain information from SSA must be documented in the case record.

The prohibition against increasing the household's food stamp benefits will follow the individual who intentionally failed to comply with a TEA or SSI requirement. If this person leaves the household, the prohibition against increasing benefits will end. If this person joins another household before the sanction is ended, the prohibition will apply to the new household.

If imposition of a sanction for intentional failure to comply is delayed by the program in which the failure occurred, the household's food stamp benefits will not be affected. When the sanction is imposed by the other program, the prohibition against increasing the food stamp benefits will also begin.

12110.1 When the Provision Will Not Apply

09-01-99

This provision will not apply:

- When TEA recipients are not allowed to add newborn children to an existing TEA Cash Assistance grant. These children may be added to the food stamp case even if they are prohibited from receiving TEA.
- When there is a reduction, termination or suspension in benefits paid under the Social Security Disability Insurance (SSDI) Program regardless of the reason for the reduction.
- When the agency that administers the other program will not cooperate in providing the necessary information.

12110.2 Sanctions For Failure to Comply With TEA Requirements

10-01-03

The Arkansas Transitional Employment Assistance (TEA) Program is a means-tested State public assistance program. Therefore, the provisions in FSC 12110 apply to any intentional failure to comply with the TEA Program including failure to comply with the TEA Program work activities.

1. Failure to comply with a TEA program requirement **will not include**:
 - Failure or refusal to complete the TEA application process; or
 - Requesting the TEA case be closed.

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2. After TEA eligibility is established, failure to comply with a program requirement will include:

- Failure to cooperate with the Office of Child Support Enforcement (TEA 2140);
- Failure to comply with the school attendance requirements (TEA 2260);
- Failure to comply with immunization requirements (TEA 4153);
- Failure to participate in a work activity (TEA 2400);
- Failure to participate in an Employability Assessment (TEA 3100);
- Refusal to accept employment or terminating employment (TEA 3501);
- Failure to cooperate with Quality Assurance (TEA 4142); and
- Intentional Program Violations (TEA 8101);

Whenever a TEA case is closed or a TEA Cash Assistance grant is reduced for failure to comply with a TEA Program requirement, the county office worker must insure the household's food stamp benefits do not increase. To do so, an amount equal to the reduction in TEA benefits must continue to be counted in the food stamp budget. If the TEA case is closed, the TEA grant will continue to be shown in the food stamp budget. See FSC 12110 for instructions.

NOTE: Individual exceptions to case closure for TEA non-compliance are allowed on a case-by-case basis at the county office level. When the case is not closed, the grant is reduced. See FSC 12110.3 for instructions on showing an amount equal to the reduction in the TEA grant. The amount equal to the reduction in the TEA grant will be counted in the food stamp budget for three months or the specified time.

The following chart specifies how long the TEA grant (or the amount of the grant attributed to the sanction) must continue to be shown in the food stamp budget.

REASON FOR SANCTION	ACTION IN TEA CASE	LENGTH OF TIME TO COUNT TEA IN FS BUDGET
Failed to cooperate with the Office of Child Support Enforcement	25% reduction in TEA payment	Until adult complies or case closes
Failed to comply with school attendance requirements	Child is dropped - 25% reduction in TEA payment	Until child complies, turns 18, or case closes
Failed to comply with immunization requirement	25% reduction in TEA payment	Until adult complies or case closes
Failed to participate in a work activity	First three months of non-compliance - 25% reduction in TEA payment. Second three months of non-compliance - 50% reduction in TEA payment. Sixth month of non-compliance - Possible case closure.	Until adult complies or case closes For three months following the month in which the case closure occurred.

This chart is continued on the next page.

FSC – PROCESSING REPORTED CHANGES
Sanctions for Failure to Comply

12110.2 – 12110.2

REASON FOR SANCTION	ACTION IN TEA CASE	LENGTH OF TIME TO COUNT TEA IN FS BUDGET
Minor parent failed to comply with work activity	First three months of non-compliance - 25% reduction in TEA payment Third month of non-compliance - 50% reduction in TEA payment	Until minor parent complies or case closes
Failed to participate in an employability assessment	First three months of non-compliance - 25% reduction in TEA payment. Second three months of non-compliance - 50% reduction in TEA payment. Sixth month of non-compliance - Possible case closure.	Until adult complies or case closes For three months following the month in which the case closure occurred.
Failed to accept employment or terminated employment as a result of	First three months of non-compliance - 25% reduction in TEA payment. Second three months of non-compliance - 50% reduction in TEA payment. Sixth month of non-compliance - Possible case closure.	Until adult complies or case closes For three months following the month in which the case closure occurred.
Failed to cooperate with Quality Assurance	Case closed	For three months following the month in which the case closure occurred.
Intentional Program Violation (IPV)	First - Head of household disqualified for one year. Second - Head of household disqualified for two years. Third - Entire household disqualified permanently.	For duration of IPV penalty period For duration of IPV penalty period. For one year following the month in which the case closure occurred.

12110.3 Determining the Benefit Amount

10-01-03

Whenever a TEA or SSI reduction in benefits, case closure or suspension of benefits is reported to the DCO county worker, the worker must determine if the reduction was due to an intentional failure to comply with a program requirement. If so, the household's food stamp benefits will not be increased as a result. See FSC 12110 for additional information on getting information about adverse changes to SSI benefits.

If the amount equal to the reduction in TEA or SSI benefits must continue to be counted in the food stamp budget, this amount will be calculated by subtracting the amount of the TEA or SSI payment immediately after the sanction from the amount of the TEA or SSI payment immediately before the sanction. After this calculation, the amount attributed to the sanction will not change. This amount (the amount attributed to the sanction) will be shown in the food stamp budget for the duration of the sanction period regardless of subsequent changes to the TEA or SSI payment and/or the food stamp budget.

To avoid system mismatches, the current amount of TEA cash assistance will be shown in the budget as the TEA income. TEA or SSI amounts attributed to a sanction will be shown as "Other" income.

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Changes in the household's circumstances unrelated to the sanction must be reflected in the food stamp budget. This includes changes in the assistance payment not related to a sanction. When TEA or SSI payments are suspended or a case is closed due to an intentional failure to comply with a program requirement, the payment the household was authorized to receive immediately prior to case closure/suspension will continue to be counted in the food stamp budget as other income.

If a TEA or SSI sanction is expected to end before the household's current certification period expires, the case must be adjusted to reflect this change.

12110.4 Documentation

09-01-99

The following documentation is required when a household's food stamp benefits remain the same after a reduction in TEA or SSI benefits due to an intentional failure to comply with a program requirement:

- The source of income (TEA or SSI) which has been reduced, suspended or terminated;
- The reason for the reduction, suspension or termination;
- The amount which continues to be counted as income in the food stamp case;
- How this amount was determined (include any necessary calculations); and
- When the sanction is expected to end.

The documentation should appear on a separate sheet of paper and should be moved forward to the current case action.

12110.5 Disqualification of Household Members

10-01-02

When a member of a TEA household who is not exempt from the work registration requirements for reasons other than receipt of TEA benefits fails to comply with a TEA work requirement, that household member may be disqualified under the provisions in FSC 3414. For the purposes of determining if a member should be disqualified, the TEA work requirements are:

- Failed to participate in a work activity
- Minor parent failed to comply with work activity
- Failed to participate in an employability assessment
- Failed to accept employment or terminated employment

12200 Changes Reported by the Household

09-01-99

12210 Address Changes

10-01-03

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All households must report changes in their residence (moving from one location to another) and any related changes in shelter costs. This is the only time the household is required to report a change in shelter costs. Households subject to limited reporting and a four-month certification period must report changes in residence no later than the next recertification. Households subject to limited reporting and semi-annual reporting must report changes in residence no later than the semi-annual report. (Or, if the semi-annual report has been submitted, these changes must be report at the next recertification.)

All address changes, even those where no move has occurred, should be reported as quickly as possible to prevent delays in the receipt of information from the Agency.

12211 Actions to Take to Change a Residence Address

10-01-03

Address changes do not require any change to the household's budget unless new shelter costs are reported. If the household is currently using the utility standard but is no longer entitled to do so, actual utility costs may be used in the budget if verified. If the household becomes entitled to use the utility standard as a result of the change in residence, the household must be offered this option.

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NOTE: If a county office worker establishes through any source that a household has moved from Arkansas to another state, the household's case must be closed. This policy applies across the board to all food stamp households regardless of the household's reporting requirements. No advance notice is required. See FSC 11450 and FSC 11571. If the worker suspects the household has moved from the State, a request for contact will be sent as instructed in FSC 12400.

See FSC 6600 - 6627 for a full explanation of allowable shelter costs.

12220 Changes in Household Composition

09-01-99

12221 Limited Reporting Households

10-01-03

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Limited reporting households assigned four-month certification periods are not required to report changes in household composition until the next recertification. Limited reporting households subject to semi-annual reporting must report changes in household composition on the semi-annual report. If the semi-annual report has already been submitted when the change in household composition occurs, the household must report the change no later than the next recertification. Limited reporting households may choose to report a change in household composition at any time. If a new member is reported independent of the semi-annual report, the processing standards for occasional reporters will be used. See FSC 11410.

If a limited reporting household reports the loss of a household member independent of the semi-annual report or recertification, the change will be processed within 10 days. If the change in household composition results in case closure or decrease in benefits, the limited reporting household is entitled to the same notice as an occasional reporting household.

If any household reports a new member who has been participating as a member of a limited reporting household, the county will not wait until the next semi-annual report or application for recertification is submitted. Instead, a 10-day advance notice of adverse action will be issued to the household where this member formerly resided.

After the 10-day notice of adverse action has lapsed, the new member will be removed from the limited reporting household and added to the new household.

12222 New Members

10-01-03

New members must meet the citizenship requirements specified in FSC 1621. Individuals who do not meet these requirements will be considered ineligible aliens. See FSC 1621.3 for instructions on handling the income and resources of an ineligible alien. Except for newborns, each new member who has not previously complied with the SSN requirement must do so before he or she can be added to the household as an eligible member. See FSC 2220-2223.

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In any county where the Food Stamp E&T Program is operational, a *Status Determination/Referral* (DCO-205) must be completed on all new eligible members who are subject to the requirement to work (RTW). Other household members who are not subject to the RTW but who are work registered may be referred to the E&T Program as volunteers. See FSC 3620.

See the chart in FSC 12223 for instructions on handling new members who are currently disqualified from participating in the Food Stamp Program.

12223 Disqualified Members – Chart

09-01-99

Disqualified members will be handled as instructed below.

DISQUALIFICATION REASON	ACTION TO TAKE
Member under current disqualification for intentional program violation. See FSC 16600.	Disqualify new member until disqualification has been served or is ended. Go to FSC 1623.2 for instructions on handling the member's income and resources.
New member currently sanctioned for work registration violation including voluntary quit, voluntary reduction in hours of work or Workfare Program non-compliance.	Disqualify until disqualification has been served or is ended. Go to 1623.2 for instructions on handling the member's income and resources.
New member currently disqualified for failure to comply with Requirement to Work (RTW). FSC 3500-3550.	If the new member currently resides in an area covered by an RTW waiver, end the disqualification and add the new member to the case if he or she is otherwise eligible. If a personal exemption may be applied, apply the exemption and add the new member to the case if he or she is otherwise eligible. If neither the waiver nor the personal exemption apply, he or she will remain disqualified until he or she complies, becomes exempt or the RTW period ends. See FSC 1623.2 for instructions on handling the member's income and resources.
New member is currently classified as a fleeing felon. See FSC 1622.10	Disqualify any new member who is currently classified as a fleeing felon. See FSC 1623.2 for instructions on handling the member's income and resources.
New member has been found guilty or plead guilty or no contest to a felony offense which has as an element of the offense, the distribution or manufacture of a controlled substance. The offense occurred after July 1, 1997. FSC 1622.20.	Disqualify any new member who has been convicted of the distribution or manufacture of a controlled substance if the offense occurred after July 1, 1997. See FSC 1523.2 for instructions on handling the member's income and resources.

12225 Dropping Household Members

09-01-99

12226 Household Division

10-01-03

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A household division occurs when an active food stamp household divides into at least two groups of individuals. When a household division occurs, the worker must use the following guidelines to determine which group retains original eligibility and which group must apply as a new household.

1. If the original casehead (as explained in FSC 1500) remains in the county and wishes to continue participating in the Program, the household containing this individual retains original eligibility.
2. If the original casehead leaves the county, the household members remaining in the county retain original eligibility.
3. If the division occurs as a result of the death of the original casehead, original eligibility will be retained by the group remaining in the county. Or, if neither group moves from the county, the group containing the largest number of original household members retains original eligibility.

The newly formed household may not participate in the Food Stamp Program until the members are removed from the original household.

Example: A household division is reported on September 25th. The county office is unable to process the change before October food stamp benefits are issued. The newly formed household will not be able to participate as a separate household in the month of October.

There are three exceptions to this provision.

Exception 1: Residents of shelters for battered women and children may participate as specified in FSC 1840.

Exception 2: The county may determine that members have been claimed by one household while actually living in another. Such members will be allowed to participate in the household where they actually live if otherwise eligible. An overpayment will be submitted against the household which misrepresented its circumstances. See FSC 15400.

Exception 3: When a county office does not timely process a reported decrease in household composition, eligible members may participate in their new household beginning in the month the change should have been effective. An overpayment will be submitted against the original household. The overpayment will be classified as an agency error. See FSC 15400.

12227 Signature of Responsible Household Member

10-01-03

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The household's current food stamp application (*Request for Assistance - DCO-215*) must contain the signature of a responsible household member. Should the member who signed the application leave the household, another responsible member must sign either the application or a statement attesting to the accuracy of the information on the application. Prior to signing, this member must review the information on the application and correct any invalid information. For ease of review, the corrections and new signature should be entered in a different color ink.

Although the processing of the change need not be delayed solely to obtain the signature of a responsible household member, the household will be issued an request for contact as instructed in FSC 12400. If a responsible household member does not come to the DHS county office to sign the application by the end of the ten-day period specified in the request for contact, an advance notice of adverse action will be issued. The advance notice of adverse action will state that the household's case will be closed if a responsible household member does not come into the DHS county office to sign the *Request for Assistance*.

12230 Resource Changes

09-01-99

12231 Acquisition of a Vehicle

09-01-99

If the household reports the acquisition of a vehicle, the information provided must be adequate to determine if the vehicle is to be excluded or counted as a resource.

See FSC 4430 for information about excluded vehicles.

If the reported information shows a vehicle will be totally excluded, no additional action is required. If not, it must be determined if the countable value of the vehicle will make the household ineligible.

See FSC 4850 for instructions on determining the countable value of a vehicle.

If the information provided shows the countable value of the vehicle plus other resources make the household ineligible, additional information may be needed. For example, it may be necessary to determine if the household "traded in" a vehicle currently counted as a resource.

If additional information is needed, an advance notice of adverse action must be manually issued to the household via a *Notice of Action* (DCO-1). The DCO-1 will specify the information to be provided and will state that failure to return the information by the specified date will result in case closure.

12232 Liquid Resources

10-01-03

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When a household reports liquid resources exceeding \$2,000, the food stamp case will be closed unless the household contains a member age 60 or older or is categorically eligible as defined in FSC 1920. If the household has a member age 60 or older, the household will remain eligible unless its total resources exceed \$3,000.

See FSC 4950 for an explanation of the procedures for handling lump sum payments.

Additional contact with the household will be required if the household reports liquid resources in excess of \$2,000 but doesn't specify the amount.

12233 Actions to Take to Change a Resource

10-01-03

Vehicles

1. Determine the countable value of the new vehicle. See FSC 4800 - 4860.
2. If the vehicle has any countable value, add this figure to the existing resources. If applicable, subtract the countable value of the vehicle used as the "trade-in."
3. Compare the household's total countable resources to the applicable resource limits. See FSC 4300 - 4310.
4. If the household's total countable resources are less than the limits, the household continues to be eligible. If not, close the case.

Liquid Resources

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If the household's liquid resources exceed the applicable limit (\$2,000 for regular households or \$3,000 for aged/disabled households), the case will be closed unless the household is categorically eligible.

12240 Income Changes

09-01-99

12241 Determining Effect of Change

10-01-03

A reported change in income will be reviewed to determine:

- If the information reported is adequate to determine the effect of the change on the household's monthly food stamp benefit amount; and
- If verification is required.

Other factors to be considered are listed below.

1. Loss of earnings by an eligible student may change student status from eligible to ineligible. See FSC 1622.2.
2. An individual who is terminated or laid off from a job may get unemployment compensation.
3. An individual who loses earnings due to illness, injury, or pregnancy may get worker's compensation, sick pay, or maternity benefits.
4. A voluntary quit may have occurred. See FSC 3401.1.
5. An individual who becomes entitled to SSA, SSI or VA may receive a lump sum payment. See FSC 4950 - 4951.
6. Receipt of SSA or VA by an individual with dependents in the home may mean the dependents also have income.
7. Loss of income may result in receipt of loans or contributions if the household no longer has the income necessary to meet its expenses.

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In these instances, for occasional reporters, the worker will use the procedures in FSC 12400. Semi-annual reporters will be asked to explain these circumstances before the semi-annual report form is processed. See FSC 11550.

See the next page for additional information.

FSC – PROCESSING REPORTED CHANGES
Determining Effect of Change

12241 - 12250

The case record must also be reviewed to determine if a change in work registration status has occurred. See the chart below.

REPORTED CHANGE	REQUIRED ACTION
Loss of a job.	Determine if the member who lost a job should be registered for work. If yes, see FSC 3310.
Reduction in hours.	Determine if the member whose hours were reduced is working less than 30 hours or making less than the federal minimum wage X 30 hours. If yes, determine if member is exempt from work registration. If no, See FSC 3401.
Obtained employment for more than 30 hours per week; or Obtained employment with wages equal to or more than federal minimum wage X 30 hours; or Began receiving a disability benefit – e.g., SSI – no longer subject to work registration.	Determine if affected member was subject to work registration. If yes, change work registration status. If E&T participant, notify E&T Worker via DCO-205. If Workfare participant, see FSC 3831.
An entitlement check based on disability was terminated.	Determine if affected member will not be subject to work registration. (The household may wish to furnish verification the member is unable to work.) See FSC 3310.

12242 Actions to Take to Change Income

09-01-99

At the time of a reported change, income will be budgeted prospectively. A prospective budget must anticipate the household's income for the remainder of the certification period. Or, in the case of semi-annual reporting households, the prospective budget must anticipate the household's income for the upcoming quarter. See FSC 7512 - 7524.1 for a full explanation of prospective budgeting and anticipating income.

12250 Changes Not Required to be Reported

09-01-99

Any change reported by the household must be processed. Except for medical expenses and actual utility costs (if these costs exceed the utility standard and result in a deduction), verification need not be required on a change which is not required to be reported.

12251 Changes in Medical Expenses

10-01-03

There is no requirement to report changes in medical expenses unless a household is submitting a midpoint review. See FSC 11640 for instructions on processing medical expenses at the time of the midpoint review. See FSC 12510 for instructions on handling changes in medical expenses reported to a Medicaid worker.

Households eligible to receive a medical deduction as per FSC 6500 may choose to report a change in medical expenses at any time. Reported changes in medical expenses will be processed.

Reports of new medical expenses must be reviewed to determine if:

1. The reported medical expense was incurred by an aged or disabled member as defined in the "Glossary"; and
2. The expense was incurred during the six-month report semi-annual period or during the report month prior to submission of the report; and
3. The reported medical expense is allowable as per FSC 6510.

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Reports that medical expenses have stopped must be reviewed to determine if the expense was allowed on an "as-incurred" basis or prorated over the certification period. Prorated medical expenses will continue to be allowed even if the household reports it is no longer paying on the expense. Conversely, if a household reports a new medical expense, but this is actually a prorated or one-time expense which has already been allowed, no adjustment will be made.

Verified increases in medical expenses will be allowed.

See FSC 6521 for instructions on budgeting monthly expenses.

See FSC 6521.1 for instructions on budgeting periodic expenses.

See FSC 6521.2 for instructions on budgeting one-time expenses.

No past due medical expenses will be allowed. See FSC 6523.

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FSC 12252 Deleted Effective 10-01-03

12260 Actions to Take to Change Child Support

10-01-03

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Child support is deductible only if legally obligated and paid by a household member to an individual who is not a household member. See FSC 6550.

Other than at certification or recertification, households have no requirement to report changes in child support obligations or deductions. However, if a household does voluntarily report a change in its child support obligation and/or deduction, the change will be processed.

Verification is required for all changes reported in child support. See FSC 6552.

12270 Verification

10-01-03

See FSC 11420 for an explanation of the verification requirements to be applied when an occasional reporting household reports a change.

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See FSC 11550 for an explanation of the verification requirements to be applied when a semi-annual reporting household reports a change.

12300 Changes Reported to TEA Workers

10-01-03

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Changes reported to a TEA worker are considered to have been reported for food stamp purposes. Changes reported by either occasional reporting or limited reporting households to the TEA worker must be reflected in the food stamp case within 10 days of the date reported.

TEA recipients are not required to report changes in the TEA Cash Assistance. These changes must always be reflected in the food stamp case.

If TEA workers in any county do not handle the household's food stamp case, the county must devise a system for transmitting changes to the appropriate food stamp worker. No particular type of system is mandated; however, any system used must ensure information is transmitted in writing from one worker to the other in a timely manner. The day after the household reports the change to the PA worker is considered day one of the change processing period.

Changes reported by TEA recipients are processed using the same verification standards and budgeting methods as any other change. Verification presented to the TEA worker will be used whenever possible.

See FSC 12310-12340 for special instructions.

12310 Adverse Changes to Both TEA and Food Stamp Case

09-01-99

Some changes reported by TEA cash assistance recipients may result in reduction and/or termination of both the TEA cash assistance and the food stamp benefit amount. For example, a TEA cash assistance recipient goes to work.

When sufficient information is available to determine both the status of the TEA cash assistance and the food stamp benefit amount, a single *Notice of Action* (DCO-1) will be issued to the household.

The DCO-1 will serve as an advance notice of adverse action. See FSC 11440 for instructions. It will specify the effect of the change on both the TEA cash assistance and the food stamp benefit amount.

If the TEA worker does not handle the food stamp case, the information will be transmitted to the food stamp worker. The food stamp worker will make the appropriate adjustments and issue a separate advance notice of adverse action.

12320 Adverse Change to TEA Case / Increase in Food Stamps

09-01-99

Some changes result in a decrease or termination of the TEA cash assistance which in turn increases the amount of food stamp benefits. For example, a child turns 18 and is no longer entitled to receive TEA cash assistance.

No action will be taken to adjust the household's food stamp benefit amount until the household decides whether to appeal the action taken on the TEA cash assistance. Therefore, the advance notice of adverse action required for the TEA action will be issued first.

If no request for an administrative hearing has been received by the end of the TEA adverse action period, the food stamp benefit amount will be adjusted within 10 days. The 10-day period will be calculated from the date the TEA notice of adverse action expired. An adequate notice (See FSC 11440) must be issued to advise the household of the increase in food stamp benefits.

If the household submits a request for an administrative hearing and continuation of benefits (see FSC 16514), the food stamp benefits will not be changed until the hearing decision has been rendered. If the next scheduled recertification occurs prior to the decision, the case will be adjusted at recertification.

12330 Changes to TEA /Affect on Food Stamps Unknown

10-01-03

At times the nature of a change reported to the TEA worker will result in termination of the TEA cash assistance when there is not sufficient information to process a food stamp change.

No action will be taken to adjust the food stamp benefit amount until the household decides if it will appeal the decrease or termination of the TEA cash assistance. Should the household appeal the TEA action within the specified advance notice period and request continuation of benefits, the food stamp case must not be adjusted unless the household's certification period expires. If the certification period expires before the hearing decision is rendered, the household must reapply. The new application will be based on the household's current circumstances.

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If the household does not appeal within the advance notice period or if the household does appeal but continued benefits are not requested, the household will be issued a request for contact as instructed in FSC 12400 unless a semi-annual report is currently being processed or is due to be submitted within the current month. If a semi-annual report is currently being processed or is due to be submitted within the current month, the household will be asked to provide all needed information when the semi-annual report is processed.

12400 Unclear Information

10-01-03

During a household’s certification period, a county office worker may become aware of changes in a household’s circumstances and yet not be able to determine the effect of the changes on the household’s eligibility and/or food stamp benefit amount. Such unclear information may come from a third party or from the household itself. (NOTE: See FSC 12440 for instructions on handling changes reported by field investigators.)

The worker must attempt to clarify and, if necessary, verify the household’s current circumstances using the following procedure:

1. Using a *Notice of Action* (DCO-1), manually issue a request for contact. The manually issued DCO-1 must clearly advise the household of the information that must be provided or the actions that the household must take to clarify its situation and that failure to respond to the *Notice of Action* may result in case closure.
2. Allow the household at least 10 days to respond to the manually issued request for contact and clarify its situation. (*The household may contact the worker by telephone or in person or by letter to explain its current situation. Or, the household may be directed to provide written documentation to verify the questionable information.* The worker may not require the household to appear in the office for an interview.)

Once a household has contacted the DHS county office in response to a request for contact, the household must refuse to cooperate with the requests to clarify its situation before the case can be closed. (*Exception: If the household has become ineligible, the case will be closed.*) If the household responds to the manually issued request for contact but cannot provide the needed verification, the worker must assist the household in obtaining the needed information. See the *Glossary*, definition of “Verification.”

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The following chart explains the actions to be taken after the RFC has been issued to the household.

(Note deleted effective 10-01-03.)

HOUSEHOLD’S RESPONSE TO RFC	COUNTY OFFICE RESPONSE
The household responded to the RFC. The information provided by the household resulted in closure of the food stamp case.	Send the household a 10-day advance notice of adverse action to explain that the food stamp case will be closed because the household is currently ineligible to receive food stamp benefits. The notice must explain the reason for the ineligibility. For example, if the household’s income exceeds the income limits, the notice must explain this to the household.

Unclear Information

HOUSEHOLD'S RESPONSE TO RFC	COUNTY OFFICE RESPONSE
The household responded to the RFC. The information provided by the household resulted in a decrease in the food stamp benefit amount.	Send the household a 10-day advance notice of adverse action stating that the household's food stamp benefit amount must be reduced. The notice must specify the effective date of the reduction and the reason for the reduction. For example, if the household's income increased, the notice must explain this to the household.
The household responded to the RFC. The information provided by the household resulted in an increase in the food stamp benefit amount.	Send the household an adequate notice to explain the increase in benefits and the effective date of the increase.
The household responded to the RFC. The information provided by the household resulted in no change to the food stamp benefit amount.	Send the household an adequate notice to explain that the situation has been resolved and there is no change in the benefit amount.
The household responded to the RFC but refused to cooperate with the worker's requests to clarify its situation.	Send the household a 10-day advance notice of adverse action stating: <ul style="list-style-type: none"> • That the food stamp case will be closed because the household refused to cooperate with the worker's requests for information; and • That the household must submit a new application <u>and</u> cooperate with the worker to continue receiving food stamp benefits.
The household failed to respond to the RFC and to the 10-day advance notice of adverse action.	Close the case.
The household failed to respond to the RFC.	Send the household a 10-day advance notice of adverse action stating that: <ul style="list-style-type: none"> • The food stamp case will be closed because the household failed to respond to the request for contact; and • The household must submit a new application to continue receiving food stamp benefits.
The household responded to the first 10-day advance notice of adverse action and provided the needed information. Based on this information, the case must be closed.	Send the household <u>another</u> 10-day advance notice of adverse action stating that the food stamp case will be closed because the household is currently ineligible to receive food stamp benefits and the reason for the ineligibility. For example, if the household's income exceeds the income limits, the notice must explain this to the household.

FSC - PROCESSING REPORTED CHANGES
Unclear Information/Changes Reported by Other DCO Personnel

12400 - 12410

HOUSEHOLD'S RESPONSE TO RFC	COUNTY OFFICE RESPONSE
The household responded to the first 10-day advance notice of adverse action and provided the needed information. Based on this information, the household's benefits must be reduced.	Send the household another 10-day advance notice of adverse action stating that the household's food stamp benefits will be reduced. The notice must specify the effective date of the reduction and the reason for the reduction. For example, if the household's income increased, the notice must explain this to the household

FSC 12410 through FSC 12460 contains instructions for processing changes reported to the food stamp worker by someone other than a household member.

12410 Changes Reported by Other DCO Personnel

10-01-03

Changes reported to Medicaid workers that become known to the food stamp worker will be processed within 10 days of the date the change became known.

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This applies to both occasional reporting and limited reporting households. If the change reported to the Medicaid worker is a change in medical expenses, the food stamp worker may not contact the household for additional verification of medical expenses. See FSC 6526.

When a member of a food stamp household enters a nursing home, this member is to be removed from the food stamp household. If this person was the only household member, the food stamp case will be closed.

When a husband and wife have been receiving social security and/or SSI and only one of them enters a nursing home, there may be several adjustments in the couple's SSI and/or social security checks. The food stamp case should be monitored closely for several months to determine the effect of these changes. If the effect of the changes cannot be determined, the worker will use the procedures in FSC 12400 to clarify the household's situation.

12420 Reports From DCFS Workers

10-01-03

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When the DCO county office worker becomes aware that a child has entered or left foster care, the proper adjustments must be made to any food stamp cases involved. Should a DCFS worker report a foster child has left a home the food stamp case will be adjusted to reflect the change within 10 days of the date the change becomes known to the DCO worker. Should a DCFS worker report a foster child has been placed in a home, the food stamp case will be adjusted to reflect the change within 10 days of the date the change becomes known to the DCO worker. These instructions apply to both occasional reporters and limited reporters. See FSC 1624 and FSC 5708 for instructions.

Other changes that may be reported by DCFS workers (e.g., a household member has gone to work) will be handled in the same manner as changes reported by the public. See FSC 12450.

EXCEPTION At times a DCFS worker will report a change because the children in the home have been adversely affected by the change and the household requires additional assistance. This type of change will be processed as expeditiously as possible for both occasional reporters and limited reporters.

12430 Reports From Quality Assurance (Q.A.)

10-01-03

See FSC 800 through FSC 890 for a full description of the Q.A. process. Q.A. reports may be either informal reports provided to the county during the course of the review or review summaries submitted to the county upon completion of the review. Review summaries reporting case errors require corrective action by the county. The corrective action is reported via the *Quality Assurance Error Response* (DCO-29). See the DCO-29 for full instructions.

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Information not reported by the household that appears on the review summary must be handled as a reported change. The informal reports provided by the Q.A. reviewer to the county office must also be handled as a reported change. For semi-annual reporting households, changes reported by Q.A. that occur after the most recent semi-annual report (or application) was submitted will be handled when the next semi-annual report or application is submitted.

Changes not reported timely by an occasional reporting household must be handled within 10 days of the date the Q.A. report is received in the county office.

Changes that were not reported by a semi-annual reporting household at the last certification or semi-annual report (whichever applies) must be handled within 10 days of the date the Q.A. report is received in the county office.

NOTE: If the household is subject to the limited reporting requirements but is not a semi-annual reporting household, changes that occurred after the application was approved will be handled at the next certification or recertification. If QA discovers information that the household failed to report accurately at the last certification and the budget should be corrected as a result, the budget must be corrected. See FSC 12400 for instructions.

Under issuances found by Q.A. that resulted from an agency error will be corrected through restored and/or supplemental issuances to the household. See FSC 13000 for instructions on authorizing restored benefits and/or supplemental benefits.

Overpayments must be prepared on all over issuances identified through Q.A. reviews. See FSC 15000 for full instructions on preparing overpayments.

The Q.A. reviewer verifies only the information needed to make a determination of the household's eligibility and correct food stamp benefit amount for the month of review. If the verification used by Q.A. is not available or does not include all months in the overpayment or restoration period, the worker must obtain the needed verification using the procedures in FSC 12400.

12440 Reports From Field Investigations

10-01-03

Field investigations may be completed by a county office worker or a field investigator.

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When a household that is currently participating in the Food Stamp Program fails or refuses to cooperate with the field investigator, the field investigator will request that the county office worker issue a request for contact (RFC) to the household. The request for contact must advise the household of actions the household must take to clarify its current situation. (The household may be offered an opportunity to appear for an interview as part of the investigation; however, the notice must clearly state that such an interview is voluntary.) If the household fails or refuses to take the actions specified in the RFC, an advance notice of adverse action will be issued to the household stating that the household's case will close. See FSC 12400 for complete instructions.

When the field investigation reveals information not timely reported by the household on a change report form or semi-annual report, the investigator's report will be reviewed to determine if the information has been substantiated by a reliable collateral contact. For example, if earned income has been verified by the employer, that information is substantiated. If information has been substantiated, appropriate action will be taken on the case.

1. The county office worker must first determine if the household has failed to timely report a change.

The reporting requirements for occasional reporters appear in FSC 11330. If the household is subject to occasional reporting, the household must have reported the change within 10 days of the date the change became known.

The reporting requirements for limited reporters appear in FSC 11340. The household must report the change on the first semi-annual report or application submitted after the change occurs. If the household is subject to limited reporting and is not yet required to report the change, the field investigator's report will be documented in the case record but no action will be taken until the semi-annual report or next application is submitted.

Example A - A household submits its semi-annual report on July 10 and goes to work on August 1. The field investigation is conducted on August 15. The household is not required to report the change until it submits its next application, so the county would not take any action.

Example B - A household goes to work on July 1. Its semi-annual report is submitted on July 10, but the household does not report the change on the report. The field investigation is conducted on August 15. The county will take action to add the earned income to the household's budget and to prepare an overpayment for August and (if appropriate) September.

If a field investigation is performed as part of processing the semi-annual report (i.e., after the form is received but before it is processed), any information provided by the field investigator will be used when the semi-annual report is processed. Example - A field investigator goes out because a household reported that a household member lost their job and no new income was reported. The investigator determines a household member just went to work. The anticipated earnings must be shown in the household's budget when the semi-annual report is processed.

2. If the household has failed to timely report a change in circumstances, a notice will be issued to the household.

If the household's benefits will decrease as a result of the change, an advance notice of adverse action must be issued. (An advance notice is required since a semi-annual report is not being processed.) If the household's benefits will increase as a result of the change, an adequate notice will be issued to the household. If the household must verify information as a result of the report, an RFC must be issued to the household. See FSC 12400 for instructions.

3. An overpayment will be prepared for any month in which an overissuance occurred. See FSC 15400 for instructions on preparing overpayments.

If the report is unsubstantiated, the worker will follow the procedures in FSC 12400.

12450 Reports by Individuals / Generally Known Information

10-01-03

When an individual makes a report, the worker must attempt to obtain the individual's name and address. However, this is not required information.

When an individual gives his/her name but requests anonymity, his/her name will not be released to the household. The name will be removed from the case record if the household wants to review the record.

When an individual contacts the county office or other agency personnel to report unsolicited information about a household receiving food stamp benefits, the report must be substantiated through a field investigation or collateral contact.

For example, an individual reports that a food stamp recipient is employed at a local factory. First, the worker will check to see if the household has reported the income. If yes, no additional action is required. If no, the worker will follow the procedures in FSC 12440 to substantiate the information.

Changes in food stamp households may become known to the agency through common knowledge. Examples of common knowledge appear below.

- The marriage of a member of a currently certified household is announced in the newspaper.
- The obituary of a member of a currently certified household appears in the newspaper.
- A county worker observes a member of a currently certified household working at a job although no employment or a different employer has been reported by the household.

When information on an occasional reporting household becomes known to the agency through general sources, the worker will follow the procedures in FSC 12400 to substantiate the information.

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When information becomes known about a limited reporting household including those households subject to semi-annual reporting, the information must be analyzed to determine if the case will be affected right away. For example, if all household members have died or moved from the State, the case must be closed. If a household member has been observed working, all circumstances regarding the unreported income will be documented in the case record. The employment will be verified when the next semi-annual report or application is submitted.

An overpayment will be prepared for any months during which an overissuance occurred due to the household's failure to timely report a change in circumstances.

12460 Handling Changes Reported by Limited Reporting Households

10-01-03

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Reported By	Action Required	Policy
Household	Change must be processed within 10 days.	FSC 12250
TEA Worker	Change must be processed within 10 days if it causes a decrease in benefits. Change must be processed within 10 days of the end of the TEA adverse action period if it will cause an increase in benefits.	FSC 12310 FSC 12320
Medicaid Worker	Within 10 days of the date of the reported changes, the change will be processed or a request for contact will be sent to request additional information.	FSC 12410 FSC 12400
Quality Assurance	Changes that occurred after the last application or semi-annual report must be processed at the next application or semi-annual report as appropriate. If the change should have been reported on the last semi-annual report or application but was not, the change will be processed within 10 days of QA's report unless additional information is needed. If additional information is needed, a request for contact will be issued to the household within 10 days of the date of the report.	FSC 12430 FSC 12400
Field Investigations conducted by Field Investigators or County Office Workers	Changes that occur after the last application or semi-annual report will be processed with the next application or semi-annual report, whichever is appropriate. If the worker does not know when the change occurred, the change will be processed at the next application or semi-annual report, whichever is appropriate. If the change should have been reported on the last semi-annual report or application but was not, the change will be processed within 10 days of the report unless additional information is needed. If additional information is needed, a request for contact will be issued to the household within 10 days of the date of the report.	FSC 12440 FSC 12400
Reports From the Public or Generally Known Information	Changes that occurred after the last application or semi-annual report must be processed at the next application or semi-annual report as appropriate. If the change should have been reported on the last semi-annual report or application but was not, the change will be processed within 10 days of the reported unless additional information is needed. If additional information is needed, a request for contact will be issued to the household within 10 days of the date of the report. EXCEPTION – Changes that immediately affect the case, (e.g., death of all household members, household moved from county) must always be processed as soon as possible, but no later than 10 days after the change became known to the worker.	FSC 12450 FSC 12400 FSC 12450

13100 Summary

12/01/00

Supplemental food stamp benefits and restored food stamp benefits are issued to a household to correct:

1. An error made by the agency
2. An error that occurred in the automated system
3. An untimely action that occurred due to the failure or inability of the county office to process a change in a timely manner

A supplemental benefit is authorized to correct an issuance before the end of the month in which the issuance originally occurred. A restored benefit is authorized to correct an issuance that occurred in a prior month.

NOTE: Retroactive food stamp benefits are issued at the time of application approval for months in the application period prior to the month of approval. Retroactive benefits are not covered in this section of policy. See FSC 8650 for instructions on authorizing retroactive benefits.

13200 Supplemental Issuance

10-01-03

The county office will provide supplemental benefits in the following situations:

1. When a reported change is not processed timely. Supplemental benefits will be provided to any household that does not receive the correct benefit amount because the county office failed to meet the time frames specified in FSC 11410 for any reason.
2. When a reported change is held awaiting verification. When a reported change is subject to verification or is questionable, verification must be obtained before the worker can act on the change. If obtaining verification means that the change cannot be processed in accordance with the time frames specified in FSC 11410, a supplemental issuance will be provided.
3. When an agency error occurs at certification, recertification, reported change, semi-annual report or mid-point review. Cases that are processed with an incorrect benefit amount will be provided a supplemental issuance if an error occurs due to any of the following reasons:
 - Arithmetic error
 - Incorrect calculation of income
 - Incorrect calculation of deduction
 - Incorrect household size used by worker
 - Computer error
4. When an automatic change is not processed due to a mismatch or program change. Any systems error that results in an under-issuance of food stamp benefits must be corrected. Cases that mismatch or are closed in error must be worked manually. Supplemental benefits will be issued if appropriate.

13210 **How to Determine Amount of Supplement**

12/01/00

Supplemental benefits will be calculated by determining the correct food stamp benefit amount for the current month, and subtracting the original food stamp benefit amount from the correct benefit amount.

Supplemental benefits are issued via daily issuance. See FSC 14133.1 for instructions on authorizing issuance of supplemental benefits.

13300 **Restored Benefits**

10-01-03

Note: Instructions for restoring aged EBT benefits are provided in FSC 13311.

Any household may request (in writing or orally) a restoration of benefits. A household is not required to go through the administrative hearing process before requesting a restoration. There is no time limit for making such a request. For example, in February 2001 a household may request a restoration of benefits based on a closure that occurred in March 2000.

All requests for a restoration of benefits will be evaluated within 10 days of the day the request was received. If the household is entitled to a restoration, the steps specified in FSC 13310 will be completed. If the household is not entitled to a restoration, a *Notice of Action* (DCO-1) will be completed. The DCO-1 must specify that the request for a restoration has been denied, must provide the reason for the denial, and must state that the household has 90 days to appeal the agency's decision.

The household will be entitled to a hearing as specified in FSC 13360.

Restored benefits will be issued when a household received an under-issuance of food stamp benefits in a previous month for reasons such as, but not limited to, the reasons listed below:

- County office worker error
- Incorrect computer entry
- Computer error
- Mismatch or computer error at the time of an automatic change
- Erroneous denial of an application
- Erroneous closure of an active case (including an automatic closure) that causes a loss of benefits
- Issuance of an insufficient benefit amount because a reported change was not processed in accordance with the processing standards in FSC 11410
- Failure to process a mid-point review or a food stamp semi-annual report received in the county by the end of the report month
- Reversal of a county decision through the administrative hearing process when the household is determined eligible or entitled to more benefits
- An under-issuance of benefits discovered through a quality assurance review if the error is assessed to the agency
- Correction of errors in federal or state regulations using special instructions issued when such a restoration is required

Food stamp benefits will be restored when a household incurs an under-issuance or “loss” of food stamp benefits due to an agency error. Lost food stamp benefits must be restored even if the household is currently ineligible or not participating in the Food Stamp Program.

No restoration will be authorized for food stamp benefits lost more than 12 months prior to the most recent of the following months:

1. The month the county office was notified (in writing or orally) by the household, another person, another agency or the Quality Assurance Unit that a specific household has possibly incurred a loss.

OR

2. The month the county office discovered in the normal course of business that a loss occurred.

If the household was eligible but received incorrect benefits, the restoration will be authorized for those months within the 12-month limit when the household participated and a loss occurred.

For losses caused by an incorrect delay, application denial, or case closure, the date of initial loss must be determined.

If an eligible household's application was erroneously denied, the month of initial loss is the month of application, unless the household had filed a timely application for recertification. In that case, the month of initial loss is the month following the expiration of the household's certification period.

If a household's case was erroneously closed, the month of initial loss is the first month food stamps were not received as a result of the closure.

If an eligible household's application was delayed and a loss of benefits occurred as a result, the restoration will cover all months in which a loss occurred. For example, a household filed an application on January 25. The application was held until March 25. The application was approved, but the household was incorrectly found to be at fault for delay and benefits were prorated to March 25. Restored benefits will be authorized for January, February and March. January benefits will be provided from the date of application, January 25. Full benefits for February will be restored. For March, the difference between the household's full benefit amount and the prorated benefit amount will be either supplemented or restored to the household.

When a judicial action is the first action taken by the household to get restoration of lost benefits; benefits will be restored for a period of not more than twelve months from the date the court action was initiated.

When benefits are restored as the result of a judicial review of an administrative hearing, benefits will be restored under the following guidelines: *For no more than twelve months prior to the date the agency received a request for a restoration; or if no request for a restoration was received, the date the administrative hearing action was initiated; but never more than one year prior to the date DHS was notified of or discovered the loss.*

After the date of initial loss is determined, any month prior to the 12-month limit will be disregarded when restored benefits are authorized. The amount to be restored will be calculated for each subsequent month within the designated 12-month period until the first month when the error was corrected so that no loss to the household occurred or until the first month household became ineligible to receive food stamp benefits.

Example: In March 2001, a county office worker discovered that a household lost food stamp benefits because excluded income had been incorrectly counted in the household's budget since July 1999. The worker determined that the 12-month period for which benefits could be restored is April 2000 through March 2001. In preparing the restoration, the worker determined that the last month the county used this excluded income in the budget was December 2000. Therefore, restored benefits were authorized for the months April 2000 through December 2000.

13310 Actions to Take When Authorizing Restorations

10-01-03

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The household will not be asked to complete an application form, change report form, semi-annual report or any other type of form to gather information to be used to complete a restoration.

Within 30 days of the date of discovery that a household may be entitled to a restoration of benefits, steps 1-3 must be completed.

Step 1: Determine the months for which a household may be entitled to a restoration of benefits. Begin by determining the month of initial loss. Examine the case to determine each subsequent month in which a loss possibly occurred. The extract amount issued for each month may be obtained from the Mail History Screen (WFTD). Exclude any losses that occurred more than 12 months before a possible loss of benefits was discovered.

Step 2: Analyze the case to identify any information and/or verification needed to determine the exact amount of restoration due for each month in which a loss possibly occurred. For example, if a change form reporting a decrease in earnings was not processed, request verification of earnings for the months in which a loss possibly occurred.

Step 3: Contact the household via *Notice of Action* (DCO-1) when information and/or verification is needed for any month or months. The DCO-1 must specify:

- That the household may be entitled to a restoration of benefits
- The exact information needed to determine the amount of restoration - (e.g. - verification of earned income for month of loss)
- That no restoration will be authorized for the months in question unless the information is furnished

15200 **When to Prepare an Overpayment**

03-01-02

All adult household members will be jointly and severally liable for the value of any overissuance of food stamp benefits to the household.

Overpayment claim may be established against:

- Any household currently participating in the Food Stamp Program that has received more food stamp benefits than the household was entitled to receive; or
- Any household containing an adult member who was an adult member of another household when that household received more food stamp benefits than the household was entitled to receive.
- Any household involved with the trafficking* of food stamp benefits.
- A sponsor of an alien household who was at fault for the alien receiving more benefits than the alien was entitled to receive.

<p>* Trafficking means the buying or selling of food stamp coupons or electronic benefits transfer (EBT) cards for cash or for consideration other than eligible foods; or the exchange of firearms, ammunition, explosives or controlled substances for food stamp benefits. Suspected instances of trafficking will be referred to the Fraud Unit via a <i>Suspected Fraud Report</i> (DHS-1700) within 10 days of the date the trafficking incident became known to a DHS county office worker.</p>
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No overpayment claim is prepared if:

- The county office failed to insure that the household signed the application form.
- The claim is classified as an administrative error and more than 12 months have elapsed between the month the overpayment occurred and the caseworker discovered an overpayment might exist.
- The claim amount is \$125 or less and the household is not currently participating in the Food Stamp Program **UNLESS** the overpayment was discovered in a Quality Assurance review. Overpayments discovered in a Quality Assurance review must always be established.

When a claim is submitted in any category other than an administrative error, the overpayment must be calculated back to the month the overpayment began **EXCEPT THAT**:

- No claim will be prepared for overpayments that occurred more than six years before the agency became aware of the overpayment.
- No claim will be prepared for any months in excess of three years from the month the agency discovered a possible overpayment if the county office has purged its files and has no record of issuance for those months.
- No claim will be prepared for any months in excess of three years from the month the worker discovered a possible overpayment if the household's circumstances for that month cannot be established because an employer or other source of verification has purged the records for the month of possible overpayment.

15210 Who Will Prepare the Overpayment

07-01-02

The county office worker will prepare the *Benefit Overpayment Report* (DHS-199) on all overpayments classified as administrative errors regardless of the amount of the overpayment. This includes overpayments where:

- The county office failed to take timely action on a change reported by the household.
- The agency incorrectly computed household income or deductions or otherwise calculated an incorrect benefit amount.
- The household was overpaid due to a worker or system error.
- The household did not complete the recertification process but continued to receive food stamp benefits after the certification period expired.
- The county office failed to reduce a household's food stamp benefit amount after a household member's TEA cash assistance increased.

The county office worker will prepare the *Benefit Overpayment Report* (DHS-199) on an overpayment classified as an inadvertent household error if:

- The overpayment occurred when a household requested continuation of benefits and the hearing decision was in favor of the agency's action.
- The overpayment amount is \$125 or less.

If an IPV is suspected and the total overpayment is estimated to be more than \$125, the worker will submit a *Suspected Fraud Report* (DHS-1700) to the Fraud Unit. If the case is accepted, the Fraud Unit will conduct an investigation, obtain the needed verification and prepare the overpayment documents. If the case is not accepted for investigation, the county will be notified so a county office worker can complete a DHS-199.

15300 Timely Submission of an Overpayment

03-01-02

An overpayment claim must be submitted to the Overpayment Unit within 60 days of the date of discovery. The date of discovery is the date that the county office worker establishes through documentary evidence that an overpayment exists.

A *Suspected Fraud Report* (DHS-1700) must be submitted to the Fraud Unit within 10 days of the date the worker becomes aware that an overpayment that is a suspected intentional program violation may exist.

15400 Preparing an Overpayment

10-01-03

NOTE: When a DHS County office becomes aware of an overpayment as the result of a Quality Assurance (QA) review, the household must follow the procedures in this section of policy. A QA reviewer will determine only the amount of overpayment for the review month. Also, the verification provided to QA by an agency or an employer may not cover the entire overpayment period.

The following actions will be completed to determine the total amount of the overpayment:

Step 1 - Determine the Initial Month of Overpayment.

The initial month of overissuance is the first month in the overpayment period. If the overissuance resulted from the household giving incorrect or incomplete information at the time of application (initial or recertification), the initial month of overissuance is the first month of the certification period assigned at application approval.

Example A household submitted an application on September 12. The husband's earnings were reported on the application, but the wife's earnings were not reported. The application was approved on October 21 based only on the husband's earnings. Retroactive prorated benefits were authorized for September. At the time of the wage match for the quarter ending September, it was discovered that the wife was employed at the time the application was submitted and had been working for several months. The initial month of overissuance will be September.

For Occasional Reporters, as defined in FSC 11350, if the household fails to timely report one of the changes specified in FSC 11200, the initial month of overissuance will be established by determining the effective date of the change and adding 20 days. For example, if the effective date of change is established as June 6th, the worker will begin with June 7th and count 20 days. The 20th day falls before the end of June (June 26th) so the initial month of overissuance is July. (No overpayment will be prepared if the overissuance resulted from a change other than those listed in FSC 11200.) If there is more than one unreported change during the overpayment period, the effective date of each change will be established in the same manner.

The effective date of the change is defined as the day upon which an identifiable change actually occurred. Some examples of the effective day of change are given below.

SITUATION	EFFECTIVE DATE
. Went to work	First day of employment.
. Change in household composition	Date member actually entered or left household.
. Received entitlement check	Date 1 st check issued to household as verified by issuing agency.
. Received unemployment	Date 1 st check issued to household as verified by WESD screen.

Example A household failed to report that the wife went to work until the household's recertification interview in December. The worker established that the wife's first day of employment was September 11. The 20th day is October 1. The initial month of overissuance will be November.

For Limited Reporters as defined in FSC 11340, the two changes that limited reporting households are required to report must be reported within 10 days of the end of the calendar month in which the change occurred. If the limited reporting household is subject to semi-annual reporting, all other

changes must be reported on the semi-annual report. For changes that limited reporting households are required to report independent of the semi-annual report, the initial month of overissuance will be the second month following the calendar month in which the change occurred. For changes that limited reporting households are required to report on the semi-annual report, the initial month of the overissuance will be the first month following the submission of the semi-annual report on which the change should have been reported.

Step 2 - Exclude Any Months More Than 72 Months (or 12 months for administrative errors) Prior to the Month in Which the Overissuance was Discovered

Step 3 - Determine the Household's Correct Food Stamp Benefit Amount for Each Month of the Overpayment Period.

The household's correct benefit amount will be calculated using the household's exact income, resources, expenses, household composition, etc. for each month in the overpayment period. It may be necessary to calculate a different budget for each month in the overpayment period in order to capture variations in circumstances. Weekly and bi-weekly income and/or expenses will not be converted when a budget is calculated. See FSC 7512-7740 for instructions on preparing a budget.

If verification of the monthly income is not available, the best source of information may be used to prepare the overpayment. For example, the quarterly wages appearing on the wage match may be used to prepare an overpayment if the individual's employment is verified, but verification of monthly wages cannot be obtained. Documentation of all verification obtained must appear in the case record. If actual monthly income cannot be established, documentation of all attempts to obtain verification of the actual monthly income must appear.

The standards (e.g. - utility standard, standard deduction, earned income deduction) and issuance charts in effect during the overpayment period must be used to prepare the overpayment. If a standard changed during the overpayment period, the overpayment budgets must reflect this change. The tapes or forms used to prepare the overpayment budgets must be clearly labeled and must remain in the case record as documentation.

Step 4 - If Necessary, Complete a Second Series of Budgets With no Earned Income Deduction

The earned income deduction is not allowed on any earned income that a household failed to report timely. The overpayment budget will be prepared in the same manner as any other budget except that the earned income deduction will not be allowed for that portion of the earned income that the household failed to report. For example, if a household reports the husband's income but fails to report the wife's income, the earned income deduction will be allowed for the husband's earnings but not for the wife's. The earned income disallowance will be effective for any months in the overpayment period when the county was not aware of the earnings. For example, a county becomes aware of a household's earned income in July but does not adjust the case to include the earnings until December. The earned income disallowance will cease in July. The earned income deduction will be allowed when the overpayment budgets for the months August through December are prepared.

The Office of Appeals and Hearings will notify the household of its right to subpoena witnesses.

Following review of the hearing file, the household will notify the Office of Appeals and Hearings of any individuals who must be subpoenaed on the household's behalf.

When the administrative hearing file is submitted, the county office must advise the Office of Appeals and Hearings of any witnesses to be subpoenaed to testify on behalf of the county office. The Office of Appeals and Hearings will notify the county office of any witnesses the household has requested to be subpoenaed. The county office will have five days from receipt of this notice to request subpoenas for rebuttal witnesses.

The Department of Human Services, Chief Counsel, will issue the subpoenas, pursuant to the terms of agreement and authority of Ark. Code Ann. 20-76-103.

16514 Continuation of Benefits

12-01-00

A household's food stamp benefit amount may be continued at the same amount pending the administrative hearing decision if the household is currently certified; and the request was made within 10 days of the date the notice of action was issued. (This includes notices of adverse action sent at least 10 days prior to the effective date of action and adequate notices sent at the time the action is taken.)

Both the *Appeal for Fair Hearing* (DHS-1200) and the manually issued *Notice of Action* (DCO-1) provide a space for the household to indicate whether or not benefits should be continued.

If the household does not specifically waive continuation of benefits, the Office of Appeals and Hearings will assume that continuation is desired.

If an administrative hearing and continuation of benefits is requested during the 10-day advance notice period, the household's food stamp benefits will be continued on the basis authorized immediately prior to the notice. If an administrative hearing with continuation of benefits is requested during the 10-day period following the issuance of an adequate notice of action, the household's food stamp benefit amount must be reinstated to the basis authorized immediately prior to the notice. Reinstatement must occur within 5 working days of the receipt of the hearing request. A supplemental issuance must be authorized when necessary. (See FSC 13200 for instructions on authorizing supplemental benefits.)

Unless one of the following situations occurs, the continued benefit level will not be changed.

1. If the household's certification period expires, the household must reapply and be determined eligible based on current circumstances. Food stamp benefits will be issued on the basis determined at recertification.

2. If a change that affects the household's eligibility or benefit amount occurs, the household's eligibility and food stamp benefit amount must be recalculated based on the change in circumstances. If the change results in case closure or a reduction in benefits, a notice of adverse action must be issued. Unless the household requests another hearing based upon the action specified in this notice, the change will be made when the 10-day advance notice period expires.
3. If a mass change that affects the household occurs, the change will be made regardless of the status of the administrative hearing request. NOTE: At a mass change, participation at the prior level will be reinstated only if an administrative hearing is requested based upon the change and the issue being contested is that the food stamp benefit amount was incorrectly calculated or that federal law or regulation was misapplied or misinterpreted by DCO.
4. When a hearing officer makes a preliminary finding that the sole issue is based on federal law, regulation or policy and that DCO has not incorrectly calculated the budget or misapplied or misinterpreted the policy, the household's case will be closed or the food stamp benefits will be reduced as specified in the notice of action. (The hearing officer will notify the DHS county office in writing of this decision.)

If a hearing request is not made within the specified 10-day period, the food stamp benefits will be reduced or terminated as stated unless the household establishes that failure to request a hearing within the specified time was for good cause. The Office of Appeals and Hearings will determine good cause. If good cause is established, DCO must reinstate benefits to the prior basis.

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16515 **Continuation on Semi-Annual Reporting ing Cases**

10-01-03

Households subject to semi-annual reporting have 10 days from the date the automated notice of adverse action was mailed to request an administrative hearing and continuation of benefits.

When a semi-annual reporting household's benefits are being continued, the household must continue to submit a semi-annual report form. Except for the factor or factors upon which the appeal was based, the county will adjust the household's benefits during the continuation period to take into account reported changes.

16520 **Scheduling the Hearing**

12-01-00

Upon receipt of the administrative hearing file, the Office of Appeals and Hearings will schedule a time and place for the hearing. The time, date, and place of the hearing will be arranged so that the hearing is accessible to the household. A telephonic hearing will be scheduled unless the household requests a face-to-face interview. Telephonic hearings will be conducted through a conference call involving the hearing official, the household, and county office personnel. All participants except the hearing officer may be in the same location. A telephonic hearing may not be utilized unless the household agrees to the arrangement. A face-to-face hearing will be held when requested by the household.