

# COMPILATION of the CHANGES to the FNS 310 for FY 04

## CHAPTER 1

**120 OBJECTIVES.** The objectives of QC reviews are to provide:

- A systematic method of measuring the validity of the food stamp caseload;
- A basis for determining error rates;
- A timely, continuous flow of information on which to base corrective action at all levels of administration; and
- A basis for establishing State agency eligibility for ~~enhanced-funding~~ **bonus awards** or State agency liability for excessive error rates.

**130 DEFINITIONS.**

**Change reporting** means that the household is required to report certain specified changes in its circumstances within 10 days of the **date the change becomes known to the household** ~~becoming aware of the change~~.

**Quarterly reporting** means that a household is required to submit a report once a quarter following a budget month that is used to determine benefits for the following three issuance months.

**Retrospective eligibility** means the eligibility determination is based on income and other circumstances, which existed in the retrospective budget month.

**Status reporting** means that a household is required to report a change in the wage rate or salary or a change in full-time or part-time employment status.

## CHAPTER 2

### BASIC REVIEW PROCESS

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

- Subject to prospective or retrospective eligibility;
- Subject to prospective or retrospective budgeting;
- Subject to the change reporting (**\$100 change in earned income reporting or status reporting**), monthly reporting, **quarterly reporting**, semi-annual reporting, or an approved waiver. (Refer to section 223.)

**223 Reporting.** To facilitate the accurate determination of households' eligibility and allotment levels after the certification action, households are required to report changes to the local agency. A household may be subject to change reporting (**\$100 change in earned income reporting or status reporting**), monthly reporting, **quarterly reporting**, semi-annual reporting, or in accordance with an approved waiver (See Appendix A). **The QC reviewer must review in accordance with the option chosen by the State agency for reporting income.**

Any change in circumstances that is not required to be reported cannot result in an included variance in the QC error determination process if it was not reported. (See Chapter 7.)

**~~223.2~~ 223.1 Change Reporting/Prospectively Budgeted (\$100 Change in Earned Income Reporting).** Households subject to change reporting requirements are required to report **the following** changes in circumstances within 10 days of **becoming aware of the change** the date the change becomes known to the household. However, for income, households may be required to report changes as early as within 10 days of the date the household becomes aware of the new employment, within 10 days of the date the employment begins/stops or within 10 days of the date the household receives the first paycheck attributable to the change. Reportable changes include the following:

- Change in the sources of income, if the change in employment is accompanied by a change in the amount of income;
- A Change in the amount of gross monthly income of more than \$25 50 in unearned income, except a change in a public assistance grant (or general assistance grant if the grant and the food stamp allotment were jointly processed);
- Change in the amount of earned income of more than \$100 a month from the amount last used to calculate the household's allotment;
- All changes in household composition;
- Changes in residence and the resulting change in shelter costs;
- The acquisition of a licensed vehicle, the value of which is not fully excludable according to certification policy;
- When liquid resources reach or exceed the resource limit; and
- Changes in the legal obligation to pay child support.

The QC reviewer must consider a change reported when it is reported to either the food stamp or TANF unit. ~~The earliest date that the reviewer can verify that a household was aware of the change must be used.~~ (See section 740 for mass changes.)

~~223.3~~ **223.2 Change Reporting/Prospectively Budgeted With Status Reporting.** Households subject to status reporting requirements are required to report changes in circumstances within 10 days of the date the change becomes known to the household. However, for income, households may be required to report changes as early as within 10 days of the date the household becomes aware of the new employment, within 10 days of the date the employment begins or stops or within 10 days of the date the household receives the first paycheck attributable to the change. Reportable changes include the following:

- Change in the source of income if the change is accompanied by a change in income;

- Changes in wage rate or salary or employment status (part-time to full-time or full-time to part-time);
- All changes in household composition;
- Changes in residence and the resulting change in shelter costs;
- The acquisition of a licensed vehicle, the value of which is not fully excludable according to certification policy;
- When liquid resources reach or exceed a total of \$2,000;
- Changes in the legal obligation to pay child support`

**223.4 223.3 Monthly Reporting.** Households subject to the monthly reporting requirements must submit complete reports on a monthly basis. These households may, but are not required to submit changes outside the monthly report.

**223.4 Quarterly Reporting:** Households subject to quarterly reporting are required to file a complete quarterly report by the filing date specified on the report. At the State agency's option, households may be required to report all of the eligibility factors on the quarterly report form; or to report some of the eligibility factors on the quarterly report form and other changes through the use of a change report form. However households subject to time limits for able-bodied adults must report whenever their work hours fall below 20 hours per week averaged monthly.

The QC reviewer must review in accordance with the option chosen by the State agency.

**223.3 223.5 Semi-Annual Reporting.** Households subject to limited reporting are only required to report changes that cause the household's gross monthly income to exceed 130% of the poverty income guideline for the household size. However households subject to time limits for able-bodied adults must report whenever their work hours fall below 20 hours per week averaged monthly. Changes must be reported no later than 10 days from the end of the calendar month in which the change occurred.

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

**223.4 223.6 Transitional Benefits.** There are no reporting requirements during the transitional months. The state agency is only allowed to adjust transitional benefits based on information reported from another program in which the household participates, if the state agency opted to act on these changes.

~~223.5 Common Waivers.~~ (See attachment A.) Reviewers must review in accordance with approved waiver procedures. These include:

- ~~• Status Reporting~~
- ~~• \$80 change in earned income~~
- ~~• \$100 change in earned income~~
- ~~• 5-hour change in hours worked and expected to continue over a month~~
- ~~• Semi-annual reporting~~
- ~~• Quarterly reporting~~
- ~~• \$100 change of unearned income from private sources~~

## CHAPTER 3

### CASE RECORD REVIEW

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

~~The information must be recorded in sufficient detail to enable another person to determine the facts of the case by reviewing the FNS-380.~~

**330 CASES NOT SUBJECT TO REVIEW.** Certain types of cases are not to be included in the QC sample. These cases are normally eliminated in the sampling process; however, if such cases reach the reviewer, the reviewer shall terminate the review at the point when a determination is made that the case is not subject to review. The reviewer must complete items 1 through 5 **7** and item 71(b) **68** of an FNS-380-1. An FNS-380 has to be partially completed for these cases. The reviewer must provide identifying information and adequately document the FNS-380 to show that the case meets the not subject

to review criteria. Otherwise, the case will be considered a not completed case. All cases that meet the criteria in sections 331 through 338 must be coded as not subject to review.

## CHAPTER 4

### FIELD REVIEWS

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

## CHAPTER 5

### VERIFICATION AND DOCUMENTATION

No changes in Chapter 5.

## CHAPTER 6

### ERROR DETERMINATION PROCESS

**610 THE ELIGIBILITY TEST.** The first thing the reviewer has to do is to determine whether the household was eligible to receive the sample month issuance. The reviewer must use the procedures in Chapters 5 and 7 through 11 to verify the household's circumstances and to determine whether any variances found during the review are to be included or excluded. The procedures to be used depend upon the household's eligibility system, as distinct from its budgeting system, requirements. If the household was ineligible, the error determination process is complete. Column (2) of the computation sheet would be completed using the figures determined in the test if the necessary figures were obtained during the review. If the review was terminated before the household's complete circumstances were established, column (2) is not completed. The allotment amount would be zero as the entire amount authorized for the sample month was in error. The reviewer would enter Code 4 in Item 6 **8** and the amount of the authorized allotment in Item 7 **10** of Form FNS-380-1. If the household is eligible, the reviewer must continue with the Allotment Test.

**621.3** If the difference between these two allotment amounts is \$25 or less, the error determination process is over. There is no error in the allotment amount authorized for the sample month. The reviewer must use the actual verified budget month circumstances for completing column (2) of the computation sheet and must enter Code 1 in Item 6 8 of the Form FNS-380-1.

**622.3** If the difference between these two allotments is \$25 or less, the error determination process is complete and there is no error in the allotment. The reviewer must use the figures from 622.1 for column (2) of the computation sheet and enter Code 1 in Item 6 8 of the Form FNS-380-1.

## CHAPTER 7

### REVIEW PROCEDURES RELATIVE TO CERTIFICATION SYSTEMS AND CHANGES

**720 REVIEW PROCEDURES RELATIVE TO REPORTING REQUIREMENTS.** The types of reporting requirements are: change reporting (\$100/status), monthly reporting, quarterly reporting, semiannual reporting, transitional benefits (no reporting) and alternatives to these systems approved by waiver. (Refer to Definitions, section 223 and Appendix A.) Because of State options and waivers, a household may be subject to one reporting requirement for all elements or different requirements for different elements. The reporting requirements will delineate what has to be reported.

~~This, in combination with the reporting time frames, will determine which variances are excluded.~~

The reviewer shall use the procedures in this section to determine whether a variance resulting from a change in the household's circumstances must be included or excluded from the error determination due to reporting and processing time considerations. The reporting time frames are based upon the household's requirement to report certain changes in its circumstances within the specified time frames as determined by the State agency which can be as early as 10 days of the date that the household becomes aware of the change, or as late as within 10 days of the date the household receives its first paycheck attributable to the change. ~~A change is a modification of the household's circumstances that takes place subsequent to the time of~~

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

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

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

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

The 30-day and 20-day time periods referenced in this section are based on the regulatory requirements for change reporting. The requirements are 10 days for the household to report changes, 10 days for the State agency to act on known changes and a 10-day notice of adverse action period for actions to reduce or terminate benefits. State agencies have the option of using the same time period for the notice of adverse action as they use for public assistance purposes. This may be longer or shorter than 10 days. If it is, the 20-day and 30-day time periods that are related to the change reporting requirements shall be adjusted by the same number of days. For example, if a State uses a 12-day advance notice of adverse action to be consistent with public assistance, the 30-day period for unreported changes shall be changed to 32 days and the 20-day period for acting on reported changes shall be changed to 22 days.

**722.4 New Members.** New members who are not already participating in another household must be added no later than the month following the month in which they were reported. In order to do this, the State may issue a supplement. (See section 233 for further details regarding the reviewability of supplemental benefits.) To determine if the reported addition of a new

member was properly handled for QC purposes, the reviewer must determine if the change would increase or decrease benefits.

- **Increase Benefits.** If the addition of a new member(s) would increase benefits, any variance resulting from the State agency's failure to include the member in the month after the change was reported must be included unless verification was not submitted as of the last day of the issuance month. (If timely verification was provided prior to the end of the issuance month, a supplement should have been authorized in the issuance month.)

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

- **Decrease Benefits.** If the addition of a new member(s) would make the household ineligible or decrease benefits, the change must be handled the same as any other change resulting in ineligibility or decreased benefits in accordance with section 722.3 above.
- **Disqualified Members.** When members that have been disqualified for intentional program violations or work requirement sanctions become eligible, they must be added in the month after the disqualification period ends. Such changes shall be reviewed as a reported change for QC purposes because the State agency knew about the change.

**725 Transitional Benefits.** A household may receive transitional benefits upon leaving the TANF program. If the sample month is one of the months where transitional benefits should be received, any variances in the case resulting from changes that occur after transitional benefits are established must be excluded. Variances that occurred prior to the calculation of the transitional benefits are excluded. All variances that occur after the transitional benefits are established are excluded except for reported changes that increase benefits, or that would result in duplicate participation and any actions taken to lower benefits. Variances that occur in calculating the transitional benefits must be included. Variances that result from actions that should not have been taken or actions that should have been taken must be included. Variances that result from the transitional period being longer than allowable will be included.

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

- the household was noncompliant with TANF requirements and has had a comparable food stamp sanction imposed upon it,
- the household has violated a food stamp work requirement,
- a household member has committed an intentional Program violation, or
- the household's TANF case was closed because the household failed to comply with food stamp reporting requirements.

If the reviewer verifies that any of these conditions apply, then the case must be reviewed in accordance with standard review procedures rather than the review procedures specified in this section.

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

**Step 1.** Compare the QC verified sample month circumstances to the amount of benefits authorized for the sample month. This is the Comparison I allotment test provided for by instructions in section 621. If the difference between these two allotment amounts is \$25 or less, the error determination process is over. If the difference between these two allotment amounts is greater than \$25, the reviewer shall proceed to Step 2.

~~**Step 2.**—Correct the worksheet amounts and circumstances for misapplication of policy and computational errors by the eligibility worker at the time of the action to authorize the transitional benefits.~~

~~The eligibility worker must freeze the food stamp benefit level amount at the level the household received prior to the termination of TANF unless the household's overall income level is decreasing as a result of the changes that have terminated TANF. If such circumstances apply the eligibility worker must adjust the food stamp benefits before initiating the authorization of transitional benefits. The EW may also adjust benefits for information from another program in which the household participates, if the State has chosen the option.~~

~~Households receiving transitional benefits are not required to report any changes in circumstances during the transitional period. As a result, unless a change has been processed since the initiation of transitional benefits, use the corrected worksheet amounts and circumstances at the time the transitional benefits were authorized in the error determination process.~~

~~**725.3—Special Circumstances. Reported Changes After the Initial Authorization of Transitional Benefits.** Although it is not required to do so, a household may report a change in its circumstances during the period of transition. If a change is reported the following special review procedures apply:~~

- ~~• **Processed Changes.**~~

- ~~**1. Changes that increase food stamp benefits.** The eligibility worker must process any change in circumstances that would result in an increase in the household's benefits. If the eligibility worker has changed the authorized transitional benefits as the result of such a change, and the action is in effect as of the review date, then the reviewer must determine the correctness of the new transitional benefit in accordance with the procedures in section 725.2.~~

- ~~**2. Changes that decrease food stamp benefits.** With one exception, the eligibility worker must not process any change in circumstances that would result in a decrease in the household's benefits until the end of the transition period once the transitional benefits have been established. If the eligibility worker has mistakenly changed the authorized~~

~~transitional benefits as the result of such a change, and the action is in effect as of the review date, then a variance exists. The reviewer must complete the error determination using the corrected worksheet amounts from the time of the initial authorization of transitional benefits.~~

~~The exception is situations involving possible duplicate participation. The EW must act on changes involving possible duplicate participation. If a transitional benefit household reports a person moving out of the transitional benefit household and into another food stamp household, then the person leaving (along with that person's income and deductible expenses) must be removed from the transitional benefit household even if it would result in a decrease in benefits. If the eligibility worker has changed the authorized transitional benefits as the result of such a change, and the action is in effect as of the review date, then the reviewer must determine the correctness of the new transitional benefit in accordance with the procedures in section 725.2.~~

• ~~**Unprocessed Changes.**~~

~~**1. Changes that increase food stamp benefits.** The eligibility worker must process any change in circumstances that would result in an increase in the household's benefits. If the eligibility worker has failed to change the authorized transitional benefits as the result of such a change, then a variance exists. The reviewer must complete the error determination using corrected worksheet amounts and circumstances from the time of the reported change.~~

~~**2. Changes that decrease food stamp benefits.** With one exception, the eligibility worker has acted correctly if the authorized transitional benefits have not been altered as a result of such a change. The reviewer must determine the correctness of the transitional benefit in accordance with the procedures in section 725.2. The exception is situations involving possible duplicate participation. The EW must act on changes involving possible duplicate participation. If a transitional benefit household reports a person moving out of the transitional benefit house and into another food stamp household, then the person leaving (along with that person's income and deductible expenses) must be removed from the~~

~~transitional benefit household even if it would result in a decrease in benefits. If the eligibility worker has failed to change the authorized transitional benefits as the result of such a change, then a variance exists. The reviewer must complete the error determination using corrected worksheet amounts and circumstances from the time of the reported change.~~

~~If a change in circumstances was reported which the State agency was not required to effect as of the review date due to the regulatory timeframes for acting on reported changes, any variance(s) resulting from the agency's failure to effect the change must be excluded in the error determination.~~

**725 Quarterly Reporting.** The State agency has the option of establishing a quarterly reporting system in lieu of change reporting requirements. However, able-bodied adults subject to the time limit as specified in regulations at 7 CFR 273.24, have an additional requirement to report when their work hours fall below 20 hours per week, averaged monthly.

These procedures apply for cases subject to quarterly reporting requirements:

- A. Quality control reviewers will verify sample month circumstances for the elements subject to quarterly reporting. These figures are used in the Comparison I allotment test found in Section 621, Handbook 310.
- B. Quality control will correct the worksheet figures for quarterly reporting elements for misapplication of policy and computation errors by eligibility workers, and for incorrect reporting by the household at the time of the quarterly report.
- C. Quality control will use the corrected worksheet figures for quarterly reporting elements in the error determination.
- D. Elements on the quarterly report that are voluntarily reported by the household outside the quarterly report will be reviewed using established review procedures.
- E. If the household fails to submit a quarterly report but is allowed to continue to participate, quality control will verify actual circumstances for the sample month and compare them to the worksheet, using any cited variances in the error determination, with the exception of specific variances described in Sections 754 - 757, Handbook 310.

- F. If a household was subject to quarterly reporting but was not included in the quarterly reporting system, the quality control reviewer will use the correct system in completing the review of the household's case per Section 700, Handbook 310. The reviewer will also apply the same procedure if the household was incorrectly included in the quarterly reporting system.

**727 Transitional Benefits.** Transitional benefits are an option that a State may choose to provide to households when they leave TANF. If a state chooses to provide transitional benefits, a household may receive the benefits for a period of not more than 5 months after leaving the TANF program. The eligibility worker must recalculate the household's food stamp benefits by removing the TANF to determine the household's transitional benefit. Those benefits are frozen at the new amount throughout the household's transitional period.

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

The focus of the QC review will be on whether the household is eligible to receive transitional benefits and whether those benefits were calculated correctly. If the State chose the option to act on changes from another program in which the household participates, the review will also focus on the accuracy of the changes.

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

- the household lost its TANF cash assistance because of a sanction,
- the household was disqualified from the Food Stamp Program,
- the household is in a category of households designated by the State as ineligible for transitional benefits.

If the reviewer verifies that any of these conditions apply, then the case must be reviewed in accordance with standard review

procedures rather than the review procedures for transitional benefits specified in this section. If the transitional period was longer than allowable, the case must also be reviewed in accordance with standard review procedures rather than the review procedures specified in this section.

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

**727.2 Changes After the Initial Authorization of Transitional Benefits.** The state agency is only allowed to adjust transitional benefits based on information reported from another program in which the household participates, if the state agency opted to act on these changes. However, the household may choose to be recertified at any time during the transitional period.

Changes after the initial authorization of transitional benefits must be reviewed as follows:

- **State opted to act on changes reported by another program in which the household participates.** If the eligibility worker has changed the authorized transitional benefit as the result of the state's option, and the action is in effect as of the review date, then the reviewer must determine the correctness of the new transitional benefit. (See section 727.3.) If the eligibility worker has failed to change the authorized transitional benefits as the result of such a change, and the change should have been in effect as of the review date, then a variance exists. The reviewer must complete the error determination using the corrected worksheet amounts from the time of the reported change.
- **State opted not to act on changes reported by another program in which the household participates.** If the eligibility worker has changed the authorized transitional benefit and the state has not chosen the option, then a variance exists. The reviewer must complete the error determination using the corrected worksheet amounts from the time of the initial authorization of transitional benefits. (See section 727.3.)

- **The household chose to be recertified.** The household has an option of being recertified at any time during the transitional benefit period, thus ending transitional benefits. Those cases will be reviewed using standard review procedures.
- **Duplicate Participation.** If a transitional benefit household member moves out and becomes a member of another certified household, the eligibility worker must act on this change to avoid possible duplicate participation. Therefore, the person leaving (along with that person's income and deductible expenses) must be removed from the transitional benefit household. If the eligibility worker has failed to remove the person who has left the household, a variance would exist in the case. If the eligibility worker has changed the authorized transitional benefits as the result of such a change, and the action is in effect as of the review date, then the reviewer must determine the correctness of the new transitional benefit in accordance with the procedures in section 727.3.

**727.3 Variance Determination.** There are separate procedures to follow depending on whether the State has chosen the option to act on changes. The reviewer must follow these steps in completing the error determination:

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

Note: Comparison I is not done first in this process. By doing the steps directed below, if the transitional benefit is correctly calculated, the review process is minimized by eliminating verification of the sample month circumstances.

**Step 1.** The reviewer must determine whether the household is eligible to receive transitional benefits.

**Step 2.** Determine whether the transitional benefit amount was correct based on the food stamp allotment authorized prior to the calculation of the transitional benefit. To do this, the reviewer must use the food stamp benefits for the last month TANF benefits were received, subtract the TANF benefit and then

recalculate the food stamp benefits. If there is not a difference greater than \$25 in the case, the case is correct and the QC review process is over. If there is a difference greater than \$25, go to step 3.

**Step 3.** Verify the sample month's amounts and circumstances. Calculate a benefit amount based upon the sample month circumstances. Compare to the allotment actually received. (This step is similar to Comparison I in the QC review process and provides the State a second opportunity to have a correct case.) The case is correct if the difference between these two allotment amounts is \$25 or less. If the difference is greater than \$25, there is an error in the case. Use the lower amount from either step 2 or step 3.

- **The State chose the option to act on changes from another program in which the household participates:**

Note: Comparison I is not done first in this process. By doing the steps directed below, if the transitional benefit is correctly calculated, the review process is minimized by eliminating verification of the sample month circumstances.

**Step 1.** The reviewer must determine whether the household is eligible to receive transitional benefits.

**Step 2.** The reviewer must determine if any changes have occurred that were required to be included in the transitional benefit calculation because they were reported to another Program and acted upon.

**Step 3.** Determine whether the transitional benefit amount was correct based on the food stamp allotment authorized prior to the calculation of the transitional benefit. To do this, the reviewer must use the food stamp benefits for the last month TANF benefits were received, subtract the TANF benefit, account for any changes that should have been made and then recalculate the food stamp benefits. If there is not a difference greater than \$25 in the case, the case is correct and the QC review process is over. If there is a difference greater than \$25, go to step 4.

**Step 4.** Verify the sample month's amounts and circumstances. Calculate a benefit amount based upon the sample month

circumstances. Compare to the allotment actually received. (This step is similar to Comparison I in the QC review process and provides the State a second opportunity to have a correct case.) The case is correct if the difference between these two allotment amounts is \$25 or less. If the difference is greater than \$25, there is an error in the case. Use the lower amount from either step 3 or step 4.

**741.4 Social Security and Other Federal Mass Changes.** State agencies are required to make food stamp changes to reflect cost-of-living adjustments (COLAs) and any other mass changes under RSDI, SSI and other Federal programs such as veteran's assistance under Title 38 of the United States Code and the Black Lung Program when information on COLAs is readily available and applicable to all or a majority of those programs' beneficiaries.

- **Monthly Reporting Households.** These households are required to report income changes resulting from Federal mass changes (other than PA) on their monthly reports. The reviewer must handle such changes as any other income change that was required to be reported on the monthly report. Refer to section 723 on monthly reporting to determine which variances to include.
- **Non-monthly Reporting Households.** The State agency is required to automatically adjust the food stamp benefit level for households affected by these mass changes. Variances resulting from untimely processing, in accordance with certification requirements, or incorrect processing of food stamp changes shall be included in the error determination. (The reviewer should check to see if the State agency's procedures provide for using a flat percentage rather than the exact amount of a social security or SSI change.) The food stamp change must be made no later than the second allotment after the change in income became effective. For retrospectively budgeted households, the change shall not be made prior to the first budget month it became effective. For example, an increase in SSI in January in a two-month retrospective system would be made when January becomes the budget month, i.e., March.

## CHAPTER 8

## NON-FINANCIAL ELIGIBILITY CRITERIA

**800 GENERAL.** This chapter discusses verification requirements and error determination for non-financial eligibility criteria.

**821 U.S. Citizenship (By Birth or Naturalization).** When a household's statement that one of its members is a U.S. citizen is questionable, the reviewer must verify whether or not the person is a citizen.

For *standard verification* the reviewer will use the following:

- Birth certificate
- Naturalization papers from the Immigration and Naturalization Service (INS) such as INS Forms I-179 or I-197
- Passport
- Hospital record of birth
- Baptismal record, only when place and date of birth is shown
- Family Bible
- Military service papers
- Indian census records
- Voter registration card

If none of the above are is available and the household can provide a reasonable explanation why verification is not available, the reviewer shall accept a signed statement from someone who is a U.S. citizen who declares, under penalties of perjury, that the member in question is a U.S. citizen.

The signed statement shall contain a warning of the penalties for helping someone commit fraud, such as, "If you intentionally give false information to help this person get food stamp benefits, you may be fined, imprisoned, or both."

**822 Non-Citizen Status.** If a household member is not a citizen, non-citizen status must be verified. Verification is not required if the household member elected not to participate in the Program because they did not wish to provide the immigration status or Social Security Number. Verification of non-citizen status can only be accomplished through the documentation specified for use at certification.

There are two basic ways that a non-citizen may participate in the Food Stamp Program.

- 1) There are some individuals who are eligible based upon their origin such as:
  - American Indians born outside the US
  - American Indians eligible for special programs and services
  - Hmong or Highland Laotian, spouses and dependent children
  
- 2) There are other individuals who must be qualified and eligible:
  - i. Qualified
    - Lawfully admitted for permanent residence
    - Granted asylum
    - Refugees
    - Paroled into US for at least 1 year
    - Deportation being withheld
    - Granted conditional entry
    - Battered or subjected to extreme cruelty in US
    - Cuban or Haitian entrant
  - ii. Eligible (must meet an eligibility requirement to receive Food Stamps)
    - Residing in the US for at least 5 years
    - 40 quarters of coverage by SSA
    - Time limitation under certain qualifications
    - military connection
      - a. veteran
      - b. active duty
      - c. spouse/dependent of a veteran or active duty
    - Lawfully residing in US on 8-22-1996 and one of the following:
      - a. receiving assistance for blind or disabled
      - b. residing in the US on 8-22-96 and born on or before 8-22-1931
      - c. now under 18 years old

- Verification of qualifying status and eligibility are done following certification guidelines. In the case of immigrant status, use only INS documentation and DOJ guidance to verify qualifying status and eligibility status. Some individuals will require additional verification of quarters of coverage or military related requirements.
- In the case of non-citizens who qualify for participation in the program as a result of veteran's status or military service, the reviewer must verify the status of the individual through the use of Department of Defense (DOD) records and forms. Only DOD documentation is acceptable to verify the military service status of these individuals.
- In the case of non-citizens who qualify for participation in the program as a result of 40 qualifying quarters of work, the reviewer shall verify the eligibility of the individual(s) through information from Social Security Administration (SSA) records made available to the State agency, or through employer work records. Reviewers are not required to re-verify the status of the non-citizen with SSA if information is available from the State Verification and Exchange System (SVES), which confirms the status of the non-citizen, and the quarters of coverage history system (QCHS), which provides the number of qualifying quarters of work.

**844.1 Household Consolidation/Movement.** The procedures in this section apply to situations involving two or more separately certified households, regardless of size, that should have been certified as one household AORD.

This may or may not involve movement of the households. One example of this would be individuals who lived together who should have been certified as one household but were erroneously certified as two or more households.

These procedures apply to whichever household is sampled.

They do not apply to duplicate participation situations (see 844.2) or situations involving an individual member of a certified household moving in with another separately certified household (see 844.3).

- Include all households with their income, deductions, resources, etc., in a computation of what the household should have received for the sample month;
- Add up all food stamp issuances received by all individuals who should have been included in the household for the sample month;
- Compare the allotment amount the household should have received to the combined total issued for the sample month; and
- If the difference is \$25.00 or less, the allotment issued to the case under review will be reported as correct. If the household was ineligible, the allotment issued to the case under review will be reported as being in error.
- If the entire household was eligible, but was underissued or overissued by more than \$25.00 the reviewer shall:
  1. Calculate the percentage that the allotment issued to the case under review is of the total issued;
  2. Multiply the amount under or overissued by this percentage, rounding the answer down to the nearest whole dollar figure;
  3. If the result is \$25.00 or less, the allotment issued to the case under review will be reported as correct;
  4. If the result is more than \$25.00, the result will be reported as the amount in error for the case under review; and

Note: Although the total amount of food stamps issued to the household is used to calculate the dollar loss, only the amount authorized to the case selected for review will be reflected on the Form FNS-380-1 as the allotment amount.

**Example of Determining the Amount of Error when Households Should Have Been Combined:** There were two certified households that should have been certified as one household. The first certified household which was selected for review had 3 members and received an allotment of \$248. The second certified household had 2 members and received an allotment of \$53.

When you consider all of the individuals and what benefits they should have received as a single household, it is determined that they were entitled to \$107 in benefits.

Household #1 allotment - \$248 + Household # 2 allotment - \$53 = \$301

\$301 allotment the household received - \$107 allotment the household should have received = \$194 overissuance

There is greater than a \$25 difference therefore you must:

1. Calculate the percentage that the allotment issued to the case under review is of the total issued;

$$\frac{\$248}{\$301} \times 100 = 82.39\%$$

2. Multiply the amount under or overissued by this percentage, rounding the answer down to the nearest whole dollar figure;

$$\begin{array}{r} \$194 \text{ overissuance} \\ \times 82.39\% \\ \hline \$159.83 \end{array} \quad \text{round down to } \$159$$

Since this is greater than \$25, the error for the case under review is \$159.

**844.2 Duplicate Participation By All or Some Members of the Same Household.** The procedures in this section are used when all members of one certified household are also participating as members of another separately certified household, and may or may not involve movement of the household. These procedures apply if either household is sampled.

When the reviewer verifies that an individual or group of individuals have been included as household members in the case under review, and the individual(s) received an allotment as a separate household for the sample month, the reviewer shall determine which case was the first to be correctly ~~certified~~ **authorized to receive benefits**. If that case is sampled it would be correct for this element.

**Example of the Review Procedure for Duplicate Participation:** For example, the State agency correctly certified a household with five members (Case A). The State agency later certified two members of household A as another household (Case B). The result is that all members of Case B are duplicate participants. If A is sampled, A is correct for this element. If B is sampled, there is a variance as the members were already included in Case A, and the total allotment issued to household B should be considered an overpayment.

Households on Indian reservations are not eligible to participate in both the Food Distribution and Food Stamp Programs simultaneously. A household that participated in both programs in the sample month is ineligible for food stamps if it was certified for the Food Distribution Program first.

**844.3 Transfer/Movement of Individuals Into, Out of, and Between Food Stamp Households.** The procedures in this section pertain to an individual member(s) of one certified household moving/transferring into another certified household, and may or may not involve duplicate participation of the individual member. These procedures apply if either household is sampled. This section does not apply to movement/consolidation of the entire household. (See section 844.1.)

**NOTE:** If an individual is certified as a one-person household, and moves into another certified household, use review procedures at 844.1 or 844.2 as appropriate. When one or more individuals move from one certified household to another certified household, the reviewer must ensure that the individual(s) and any associated income and/or deductions are not used in both households' budget calculations. If the agency policy requires that individuals and their

circumstances be included in the gaining household AORD, but fails to include them in the gaining household's budget calculations, a variance exists and the reviewer shall include the individual(s) and their circumstances in the gaining household's budget for the issuance month. Similarly, if the agency fails to remove the individual(s) and their circumstances from a losing household's budget AORD, a variance exists and the reviewer shall remove the individual(s) from the losing household's budget.

It is important to note that a problem in a case related to the case under review through movement of individuals does not necessarily result in a variance in the case under review. For example, if the case under review is a household losing an individual to another participating food stamp household and the transfer should have been made AORD, no variance would exist in the case under review if the individual and his/her circumstances had been removed from this household, even if the individual was never added to the gaining household's budget. Thus, the determination of whether a variance exists in the case under review depends upon whether the case is the household gaining or losing members and whether the change must be made considering reporting requirements.

The following table illustrates when a variance exists in a case under review and assumes that the agency should have acted AORD.

Situations	Individual(s) included in both households	Individual(s) not included in either household	Individual(s) included in losing household only
Gaining household under review	No variance in household composition	Variance- Add individual(s) to household	Variance- Add individual(s) to household
Losing household under review	Variance- Remove individual(s) from household	No variance in household composition	Variance- Remove individual(s) from household

## CHAPTER 9

### RESOURCES

No changes in Chapter 9.

## CHAPTER 10

### INCOME

Note: Chapter 10 is being revised to incorporate the waivers that previously appeared in Appendix A and have become standard procedures as a result of the Anticipated Income Rule.

**1013 Terminology.** In general, the procedures in this chapter are based upon the following terminology.

~~4013.6~~ **1013.1 Annualized income** is self-employment income, e.g., farmers, or contract income which is intended to represent a household's annual income and which is prorated evenly or unevenly over a 12-month period.

~~4013.4~~ **1013.2 Anticipated Income** is counted when its receipt is reasonably certain. "Reasonably certain" is to be decided on a case-by-case basis by the State agency in conjunction with the household. The provisions on change reporting in section 223.2 concerning earliest date is applicable to determining when income can be reasonably anticipated.

**1013.3 Averaged Income** is income calculated for the certification period based on a household's anticipation of monthly fluctuations over the certification period. The State agency may establish averaging methods to be applied to certain types of households. (Conversion does not constitute averaging.)

~~4013.2~~ **1013.4 Conversion** is changing weekly or biweekly income to a monthly amount by (1) multiplying weekly amounts by 4.3 and biweekly amounts by 2.15, or (2) using the State agency's public assistance standard. When processing monthly reports, State agencies have the option of converting to a regular monthly amount income that is received weekly or biweekly. The

State agency must choose one option for all change reporters and one option for all monthly reporters. If the EW was required to convert income, the QC reviewer must convert. The QC reviewer must use the State agency's applicable conversion method. If an EW was not permitted to convert income (i.e., the recipient receives less than a full month's income from the source), the reviewer must not convert. If the State agency did not select an option, the QC reviewer will use actual income.

~~1013.3~~ **1013.5 Fluctuating income** is earned or unearned income that varies monthly in amount and/or by source. Such income may be averaged or unaveraged.

~~1013.5~~ **1013.6 Prorated income** is income that is divided among the household members (including any ineligible household members, if appropriate) or among the individuals for whom it is intended, or income divided by the months for which it is intended to cover, e.g., a student grant.

~~1013.4~~ **1013.7 Stable income** is income that is received in a fixed amount from the same source(s) on a regular schedule.

### **New Section (Number to be Determined)** **Budgeting - Unearned Income**

A. Compare the QC verified sample month (SM) income to the worksheet amount. If there is no difference, there is no variance. Use the verified SM amount in the error determination process. If there is a difference, proceed to Step B.

B. Correct the worksheet amount for misapplication of policy and computational errors by the EW and for incorrect reporting (including failure to report) by the household at the time of certification, recertification, or the last reported change. Compare the QC verified sample month amount to the corrected worksheet amount. If there is no difference, use the corrected worksheet amount in the error determination process. If there is a difference, go to Step C.

C. Determine if the difference can be excluded based on the reporting requirements in Chapter 2 or the exclusionary time periods in Chapter 7.

**NOTE:** If there was more than one source of unearned income, the reviewer must total the corrected worksheet unearned income and compare it to the

total QC verified sample month unearned income to determine if there was a change of more than \$50 that had to be reported.

If the difference is a result of a change which can be excluded based on the reporting requirements or the exclusionary time periods, use the corrected worksheet amount from Step B in the error determination process. If the difference cannot be excluded, a variance shall be cited, and the reviewer shall use the QC verified sample month amount in the error determination process.

If there is more than one variance in an income source, the reviewer must arrange all variances in chronological order. The reviewer must then determine if the latest variance is an included or an excluded variance based upon time frames for reporting and acting on changes.

- If the latest variance is an included variance, the reviewer shall use the QC verified sample month amount in the error determination process.
- If the latest variance is an excluded variance, the reviewer shall use the income amount that reflects the full effect of the latest included variance(s).

### **Earned Income - Change Reporting (\$100)**

Appropriate parts of this section are being moved from Appendix A and to Chapter 10 with new section numbers.

### **1063.2 Earned Income - Change Reporting (Status)**

Appropriate parts of this section are being moved from Appendix A and to Chapter 10 with new section numbers.

## **CHAPTER 11**

## **DEDUCTIONS**

### 1113 Deductions Disallowed at Certification or Recertification.

Normally, if a household was entitled to a deduction at the time of the most recent certification or recertification and did not receive it, the case has an included variance. There are three exceptions to this rule:

1. The household reported the expense but chose not to receive the deduction
2. The State agency asked for verification, the household did not provide it, and the State agency certified the household without the deduction
3. The household fails to report expenses at certification or recertification after the State agency has informed the household that such failure will result in the forfeiture of the right to a deduction.

#### Example of an Expense Disallowed for Failure to Report Expense at Application:

A household indicated on its application at certification that it incurred shelter expenses of \$500 in rent. No utility expenses are reported. The eligibility worker (EW) certifies the household with only the \$500 rent used in the determination of the shelter deduction. The application contains a statement informing the household that they forfeit the right to deduction of household expenses if they fail to report the expense. The reviewer verified shelter expenses of \$500 rent, plus utilities. In completing the final review findings for the cases the reviewer would include only the rent, not the utilities, in the shelter deduction calculation. (Assuming no variances are found in any of the other elements of this review, this case would be completed as correct, no error.)

For the first two exceptions reviewer must exclude these variances if the State agency documented the case record to show why the household did not receive the deduction for these reported expenses. The documentation must be dated between the household's application covering the sample month and the review date.

For the third exception, the reviewer must exclude these variances if the State agency documented the case record to show the statement informing the household of its right to claim the deduction. The document must be dated for the time of the certification action covering the sample month. Statements subsequent to the review date, by the State agency or by the household, must not be taken into account.

Deductions disallowed at certification or recertification under one of the provisions listed above must be included in the error determination under certain unique circumstances. If the household, subsequent to the certification action but prior to the sample month (allowing for exclusionary time frames), reports and/or verifies the expense, and the State agency does not allow the deduction, the reviewer must identify an agency caused variance by including the deduction in the error determination.

**Example of an Expense Disallowed for Failure to Report Expense at Application:**  
 A household indicated on its application at certification that it did not incur any dependent care expenses. The EW noted in the casefile that the client was informed at the certification interview that they forfeit the right to deduction of household expenses if they fail to report the expense. The reviewer would not include a dependent care deduction in the calculation. (Assuming no variances are found in any of the other elements of this review, this case would be completed as correct, no error.)

**Example of an Expense Disallowed for No Documented Reason:**

A household stated at certification that it made court ordered child support payments of \$400 monthly. The EW did not allow a child support deduction, and documented no explanation in the casefile as to why the court ordered child support payments of \$400 monthly was not allowed. The reviewer verified the court ordered child support payments of \$400 monthly. In completing the final review findings for the case the reviewer would include a child support deduction of \$400 in the calculation. (In absence of any offsetting variances found in other elements of this review, this case would be completed as containing an underissuance.)

**Example Of An Expense Not Reported After Certification or Recertification.** A household indicated on its application at certification that it incurred no shelter expenses. The application contains a statement informing the household that they forfeit the right to a deduction of household expenses if they fail to report the expense. The reviewer verified that shelter expenses of \$400 in rent and utilities, which entitled the household to the SUA existed at the time of certification. The reviewer further verified that the household moved two months after certification and failed to report the move. The move occurred three months prior to the QC sample month and the reviewer verified that the shelter expenses in the new home included \$300 in rent and utilities, which entitled the household to the SUA. Because this policy affects only certification and recertification actions, and not the requirement to report moves occurring after recertification, in completing the final review findings for the case the reviewer would include the rent of \$300 plus the SUA from the unreported move in the shelter deduction calculation. (In absence of any offsetting variances found in other elements of this review, this case would be completed as containing an underissuance.

#### ~~1156.2 Standard Verification.~~

- ~~• Bills from the utility companies~~
- ~~• Statements from the utility companies~~
- ~~• Time periods covered by utility bills~~
- ~~• Verification obtained~~
- ~~• Nature of any variances~~

#### 1156.2 Standard Verification.

- Bills from the utility companies
- Statements from the utility companies

**1160 Standard Utility Allowance - 364.** The State agency may choose to offer a household a standard utility allowance (SUA) or actual expenses if the household verified higher expenses. **The State agency may also mandate the use of the SUA.**

The State agency may choose to offer SUA's in four **these** ways:

- A single SUA mandated for all households
- A separate SUA for each utility
- A single SUA including heating or cooling, which is available to all entitled households
- Two single SUA's including heating or cooling:
  1. One of these would be used by entitled households who receive non-LIHEAA indirect energy assistance payments
  2. The other would be used by all other entitled households (including recipients of LIHEAA payments)
- A Limited Utility Allowance for households with no heating or cooling expenses, but who are billed for at least two utilities, one of which may be the telephone.
- A Single Utility Allowance for households billed for only one utility, other than the telephone.

The State agency may develop a variety of SUA's, depending upon such factors as

- Household size
- Regions within States
- Season
- Month of application
- Length of the certification period

**If the State agency does not mandate the use of the SUA,** an individual household is entitled to use a SUA if:

- The household receives or expects to receive a LIHEAA payment for its current residence **or**

- The household meets all of the following criteria:
  1. The expense is not totally covered by an excluded vendor payment or reimbursement
  2. It incurs an expense covered by the allowance (in the case of a single allowance that includes heating and cooling costs, it must incur heating or cooling expenses separate and apart from rent)
  3. The expense is incurred during the certification period or the period covered by the SUA
  4. It is billed on a regular basis
  5. It resides in private rental housing and is billed by their landlords on the basis of individual usage or is charged a flat rate separately from the rent.
  6. Residents of public housing units which have central utility meters and which charge households only for excess heating or cooling costs are not entitled to a standard that includes heating or cooling costs based only on the charge for excess usage.

If the State agency mandates the use of the SUA, the household must receive the SUA if:

- The household is entitled to the SUA (see above) or
- The household resides in a public housing with central meters, paying only excess heating or cooling (when the allowance includes heating or cooling)

The State agency may not prorate the SUA of households that share utility expenses.

### 1160.3 Variances.

- If the household was entitled to the SUA, and received it, there was no variance.

- If the household was not entitled to the SUA, but the EW used the SUA, the reviewer must determine whether the household was entitled to deduct its actual utility expenses at the time of certification, recertification or when a utility expense was reported.
- If the household was entitled to deduct actual expenses, the reviewer will include the variance by using the actual expenses from certification, recertification or when the utility expenses were reported, whichever is the most recent.
- If the household was not entitled to the SUA or to actual expenses, but received either the SUA or the actual expense, the reviewer will include the variance by not deducting any utility expenses.
- If the household moved and was no longer entitled to the SUA, but received it, the reviewer will handle the variance in accordance with the household's reporting and budgeting time frames.
- If the household was entitled to either actual expenses or the SUA, but received neither, the reviewer will use the SUA unless the certification record documents that the household elected to use actual expenses. If such documentation exists, the reviewer will use actual expenses.
- If the household was entitled to either actual expenses or the SUA and the certification record documents that the household chose to deduct the SUA at certification, but received a deduction for actual expenses instead, the reviewer will use the SUA when determining a variance.
- If the State mandates the use of the SUA and the household was entitled to the SUA but received actual expenses instead, the reviewer will use the SUA when determining a variance.

The reviewer must determine whether the State agency reasonably anticipated at certification, recertification or when a utility expense was reported, that the household would be entitled to the SUA. If the State agency's anticipation was reasonable, and the household received the SUA, there is no variance in the case. For unreported and incorrectly processed changes, see section 1161.1.

**1170.5 Special Treatment of Variances.** This section provides the instructions on special handling of medical deductions.

- **Reimbursement.**

If the EW requested verification of reimbursement from the household and the household was certified without the expense because it did not provide the verification, the reviewer must not allow the medical expense.

If the casefile does not contain documentation of the EW's request for verification of reimbursement, or if the household did not report the medical expense at certification/ recertification, the reviewer must verify whether or not the household member had medical insurance, Medicaid, or Medicare AORD and the type of expenses covered.

**Example Of An Expense That The State Disallowed Because There Was No Verification:** A household stated at certification that it incurred a monthly medical expense of \$50 for visits to a doctor. The EW requested verification that the expense was not reimbursable. The household did not provide the verification, so the EW did not allow a medical deduction. There is no variance.

**Example of a Reported Expense That the State Did Not Process, for No Apparent Reason:** A household stated at certification that it incurred a monthly medical expense of \$40 for visits to a doctor. The EW did not allow a medical deduction. The reviewer verified that the household had no medical insurance AORD and included a variance.

1. If there was no insurance, the reviewer must allow the expense.

2. If the household had insurance but the verification clearly showed that a type of expense or portion of the expense was not covered by insurance, the portion of the expense not covered by insurance would be allowed.

**Example of an Unreported Expense That Was Not Reimbursable:** A household stated at certification that it had no medical expenses and the EW deducted none. The reviewer verified that at certification the household did incur medical expenses of \$220 monthly for doctors fees, laboratory fees, and drugs to treat emphysema. The reviewer also verified that the household had medical insurance AORD. The insurance company stated that such expenses would not be reimbursed. Therefore, the reviewer included a variance by allowing the expenses in the amount of \$220.

3. If the household had insurance but there was no clear verification of whether an expense was covered by the insurance or the amount that the insurance would pay, the expense would not be allowed.

- **Reported Medical Expenses.**

**Recurring Medical Expenses.** Recurring medical expenses such as doctors visits and prescriptions are considered by developing a monthly amount based on frequency.

**Processed Expenses.** If the medical expense sources and amounts are correct, but the agency misapplied policy or made expense computational mistakes, the reviewer must use these correct amounts, and apply correct policy in determining the medical expenses.

**Example of a Mistake in Prorating:** During its certification interview, a household reports and requests proration for a bi-monthly health insurance premium of \$40. The EW prorated the premium over the interval between billings but incorrectly allowed \$25 monthly. The reviewer verified a \$40 expense at certification. The reviewer corrected the proration and used \$20, the correct amount prorated to the time of certification.

The reviewer will consider periodic medical expenses that were prorated, to have been prorated based on the household's request for proration, unless the casefile discloses a conflicting request by the household that the expense be deducted in the month that the expense was billed or otherwise became due. If the case supports a Conflicting request, the periodic medical expense must be deducted only in the month in which it was billed or otherwise became due.

**Example of Correct Proration of an Incorrectly Reported Expense:** When a household applied on April 3<sup>rd</sup>, it reported a bi-monthly dog food bill of \$40 for its seeing-eye dog and requested proration of the expense. The ~~WE~~ **EW** prorated this expense and allowed \$15 each month. The reviewer verified that at the time of application the household's bi-monthly expense was actually \$40. Therefore, the reviewer corrected the EW's figures and used \$20, the correct amount prorated to the time of certification.

If the EW incorrectly prorated or did not prorate a medical expense that should be prorated, the reviewer must calculate the correct prorated medical expense. The reviewer must correct for any variance that occurred at the most recent certification/recertification or reported change.

**Unprocessed Expenses.**

If the household reported an expense at certification and the EW did not process the expense, the reviewer will allow the expense. If the household requested proration, the expense will be prorated over the certification period.

**Example of a Change That was Reported, But Not Processed:** In the middle of the certification period, a household reported a new expense for a quarterly health insurance premium of \$165. The household requested that the expense be prorated. The EW did not process this change. As the household reported the change and requested proration, the reviewer would allow the expense and prorate to the time the change was reported.

If the household reported a change subsequent to certification and the EW did not process it, (but should have in accordance with the time frames in section 720) the reviewer must allow the expense. If the household requested proration, the expense will be prorated to the time the change was reported.

**One-Time Medical Expenses.** One-time medical expenses are prorated over the remainder of the months in the certification period or deducted in the month the expense is billed or otherwise becomes due.

**Example of a Processed, One-Time Expense:** A household was certified in January for 12 months. On June 2, the household reported a one-time non-reimbursable medical expense of a \$400 hospital bill. The household requested that the expense be prorated. The EW prorated the expense over seven months (June - December) and allowed \$57.14 for each month. Since the expense was not included in the June allotment, the reviewer must prorate the expense over six months (July - December) and use \$66.66 in the medical expense calculation.

**Processed Expenses.** When one-time medical expenses have been prorated, the reviewer will consider the request for proration to have been made by the household unless the casefile discloses a conflicting request (that the expense be deducted in the month that the expense was billed or otherwise became due). If the case supports a conflicting request, the one-time medical expense must be deducted only in the month in which it was billed or otherwise became due.

If the EW incorrectly prorated a medical expense that should be prorated, the reviewer must calculate the correct prorated medical expense. The reviewer must correct for any variance that occurred at the most recent certification/ recertification or reported change.

**Example of a Reported Expense That the State Prorated Over Too Many Months:** A household reported, and verified a one-time, nonreimbursable, hospital bill of \$500 in September. The household requested that the expenses be prorated. The EW prorated the bill over October and November. The household's certification period was scheduled to end on December 31st. Any proration of this expense can be done only over the remainder of the certification period. The reviewer must prorate the amount of the reported change over the remaining months of the certification period.

**Unprocessed Expenses.** If the household reported an expense at certification and the EW did not process the expense, the reviewer will allow the expense in the medical expense calculation. If the household requested proration the expense will be prorated over the certification period.

**Example of a Reported, But Unprocessed Expense:** A certified household incurred a \$600 deductible medical expense in December, the last month of its certification period. Although the household reported the expense at its December certification interview and requested proration, the EW did not deduct it. The household's new certification period was January through June and the sample month is one of these months. The reviewer corrects the EW's misapplication of policy by prorating the reported change over the 6 months of the new certification period.

If the household reported a change subsequent to certification and the EW did not process it, (but should have in accordance with the time frames in section 720) the reviewer must allow the expense in the medical expense calculation. If the household requested proration, the expense will be prorated to the time the change was reported.

- **Unreported Expenses.** The reviewer must verify the household's unreported expenses at the time of certification or recertification and use the amount in the calculations for Comparison II specified in section 1170.4 review instructions. Unreported expenses are to be deducted in the month that the expense was billed or otherwise became due.

A household is not required to report changes in its medical expenses subsequent to certification or recertification. Therefore, the reviewer must verify expenses and exclude any variances that can be attributed to unreported changes in medical expenses during the certification period.

## CHAPTER 12

### MAKING THE REVIEW DECISION

**1220 COMPUTING THE AMOUNT ISSUED IN ERROR.** The amount issued in error is the difference between the allotment amount authorized by the eligibility worker for issuance for the sample month (last line of Column (1) of the food stamp computation sheet) and the allotment amount computed by the SAQC reviewer (last line of Column (2) of the food stamp computation sheet), except that eligible cases with differences of \$25 or less are not considered to be in error. The amount issued in error is either an overissuance or an underissuance. For cases which that are ineligible, the total allotment amount is issued in error (there is no consideration of there being less than a \$25 error).

If the difference between the amounts is greater than \$25, there is an error in the allotment amount authorized for the sample month. The reviewer must use the figures from either Comparison I or Comparison II to determine the amount in error. The figures used must be whichever figures result in the least quantitative error for the case. (See chapter 6.)

**1230 THE REVIEW SCHEDULE.** The Review Schedule Form FNS-380-1 is to be used to record error findings from reviews of active cases. A line-by-line description of this form is contained in Appendix C following the form. For purposes of this chapter, the completion of items 6 8 (review finding), 7 10 (amount of error amount), and 67 16 (dollar error amount [attributed to a variance]) of the FNS-380-1 are described below.

**1231 Coding Review Findings - Item 6 8.** For Item 6 8 of the FNS-380-1, indicate the results of the Quality Control review by entering one of the following codes:

<u>CODE</u>	<u>DESCRIPTION</u>
1	Amount correct
2	Overissuance
3	Underissuance
4	Ineligible

**Example of the Coding of Case Findings:** This shows the coding for the cases illustrated in section 1212 above.

Case 1	Code 4 - Ineligible
Case 2	Code 1 - Amount correct
Case 3	Code 2 or Code 3, as appropriate
Case 4	Code 1 - Amount correct

**1232 Amount of Error - Item 7 10.** For Item 7 10 of the FNS-380-1, indicate the dollar amount issued in error, computed as in section 1220 above.

As an example, the cases illustrated in section 1212 above would be handled as follows:

**Example of the Coding the Amount of Error:** This shows the coding for the cases illustrated in section 1212 above.

	<u>DOLLAR AMOUNT ISSUED IN ERROR</u>
Case 1	Entire allotment amount was issued in error
Case 2	0 - no error
Case 3	smallest discrepant amount from Comparison 1 or Comparison 2
Case 4	0 - no error

**1233 Coding the Dollar Amount Associated With Variances - Item 67 16.**

**1233.2 Optional Use.** At its option the State agency may elect to code the dollar error amount associated with individual included variances. The dollar amount of all included variances is reported as a total in Item 7 **10**, ~~Amount of Error~~ **Amount**. For those State agencies electing to code the dollar error amount associated with individual variances, the following guidance is offered.

**One Variance.** If only one variance exists in the case, the dollar **error** amount ~~of error~~ to be recorded in Item ~~67~~ **16** is the same as the amount recorded in Item 7 **10**. (See section 1232.) No further calculations are necessary. Complete the other items in section ~~4~~ **2** of the Form FNS-380-1, as appropriate.

**Multiple Variances.** If more than one variance exists in the case, the dollar **error** amount ~~of error~~ to be recorded in Item ~~67~~ **16** is calculated for each variance. Use the food stamp computation sheet, Columns 3, 4, or 5, and one of the methods below (or another method) to determine the impact (dollar amount of error) attributable to each individual variance. If the case has more than 3 variances, or if additional columns are needed for some other reason, use additional computation sheets. After the individual impacts are determined, complete the items in section ~~4~~ **2** of the Form FNS-380-1.

## CHAPTER 13

### NEGATIVE CASE RECORD REVIEWS

**1320 CASES NOT SUBJECT TO REVIEW.** Certain types of negative cases are to be excluded from the QC sample. These are normally eliminated in the sampling process; however, if such cases reach the reviewer, they must be eliminated at that point and reported as not subject to review (NSTR) on the Quality Control Negative Case Action Review Schedule, Form FNS-245, (Item N). Such cases include:

- Households that have withdrawn an application prior to the agency's determination.
- Households that at the time of sampling are:
  1. Under active investigation for intentional Food Stamp Program violation (IPV);
  2. Scheduled for an IPV investigation sometime during the next five months; or

### 3. Pending an IPV hearing.

- Households that have their case closed when their assigned certification period ends, i.e., the household is not recertified.
- Cases removed from the sample as a result of a correction for oversampling.
- Cases in which a decision to deny, terminate, or suspend the case was made and subsequently reversed. In the case of denials or suspensions at application, the household was subsequently certified in time for initial benefits to be issued within the normal processing standard for the same month using the same application form. In the case of terminations or suspensions, the household continued to receive full month's benefits in the effective month of the termination/suspension action, for reasons other than continuation of benefits pending a fair hearing, with no break in participation.
- Households that have been sent a notice of pending status but were not actually denied participation.
- Cases listed in error (an active case in the negative frame)
- Households denied food stamps under a disaster certification authorized by FNS.
- Cases terminated or suspended for the household's failure to file a complete ~~monthly~~ **required** report by the extended filing date, but reinstated when the household subsequently filed the complete report before the end of the issuance month.
- Households that experience a break in participation due to computer malfunction or error that is not the result of a deliberate action by the State agency to terminate benefits.
- Suspended case after the initial month of a multi-month suspension.

## CHAPTER 14

### INFORMAL RESOLUTION AND ARBITRATION

No changes in Chapter 14.

## APPENDIX A

### COMMON CERTIFICATION WAIVERS Food Stamp Quality Control Review Procedures

Moved to appropriate parts of the Handbook (Chapters 2 and 7):

- **Status Reporting**
- **\$100 (or \$80) change in earned income**
- **Quarterly reporting.**

## APPENDIX B

### INSTRUCTIONS FOR COMPLETING FORM FNS-380, THE WORKSHEET FOR FOOD STAMP PROGRAM QUALITY CONTROL REVIEWS

Minor changes are being made to the FNS-380 and will be sent under separate cover when the updated form is available. The following changes are on the form.

Face Sheet - item 9, Date of Most Recent Opening, has been deleted and reserved.

Element 342 - Deleted "Income In-Kind" out of the title.

Element 344 - Added "TANF" to the title.

Element 347 - Removed this element. It was incorporated into 344.

Element 530 - New element titled "Transitional Benefits".

Element 560 - Changed from "Monthly Reporting" to "Reporting Systems".

9. ~~Date of Most Recent Opening~~ - Reserved. - Leave blank.

## APPENDIX C

U.S. Department of Agriculture – Food and Nutrition Service

Form Approved OMB No. 0584-0299

### Quality Control Review Schedule

**PRIVACY ACT/PAPERWORK REDUCTION ACT.** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-0299. The time required to complete this collection is estimated to average 1.05 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. This report is required under provisions of 7CFR275.14. This information is needed for the review of State performance in determining recipient eligibility. This information is used to determine State compliance, and failure to report may result in a finding of non-compliance.

#### Section 1 – Review Summary

1. QC Review Number	2. Case Number	3. State	4. Local Agency	5. Sample Month & Year	6. Stratum
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7. Disposition	8. Finding	9. FS Allotment Under Review	10. Error Amount	11. Case Classification	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Section 2– Detailed Error Findings

12. Element	13. Nature	14. Cause	15. Error Finding	16. Error Amount	17. Discovery	18. Verified	19. Occurrence	a. Date	b. Time Period
1	<input type="text"/>								
2	<input type="text"/>								
3	<input type="text"/>								
4	<input type="text"/>								
5	<input type="text"/>								
6	<input type="text"/>								
7	<input type="text"/>								
8	<input type="text"/>								

FNS-280.1 (10-01-2003) Previous editions

**Section 3 – Household Characteristics**

20. Most Recent Cert. Action Month, Day, Year  21. Type of Action  22. Length of Cert. Period # of months  23. Allotment Adjustment  24. Amount of Allotment Adjustment

25. Number of Household Members  26. Receipt of Expedited Service  27. Authorized Representative Used at Application  28. Categorical Eligibility  29. Reporting Requirement

**Resources:**

30. Liquid  31. Property (excluding home)  32 a. Vehicle  32 b. Status 2<sup>nd</sup> Vehicle  33. Countable Vehicle Assets  34. Other Non-liquid

**Income:**

35. Gross  36. Net

**Deductions:**

37. Earned Income  38. Medical  39. Dependent Care  40. Child Support  41. Shelter  42. Homeless

43. Rent/Mortgage  44. Use of SUA a. Usage  b. Proration  45. Utilities (SUA or Actual)

Additional Information on Shelter Costs:



**Section 5 – Income Identified by Household Member**

59. Person Number	Source 1	Source 2	Source 3	Source 4
60. Income Type	61. Amount	62. Income Type	63. Amount	64. Income Type
65. Amount	66. Income Type	67. Amount	68. Income Type	69. Amount
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

You may record income on up to 10 individuals by using additional pages.

**Section 6 – Reserved Coding**

68.	<input type="text"/>	69.	<input type="text"/>	70.	<input type="text"/>	71.	<input type="text"/>	72.	<input type="text"/>	73.	<input type="text"/>	74.	<input type="text"/>	75.	<input type="text"/>	76.	<input type="text"/>
-----	----------------------	-----	----------------------	-----	----------------------	-----	----------------------	-----	----------------------	-----	----------------------	-----	----------------------	-----	----------------------	-----	----------------------

**Section 7 – Optional For State Use**

1	<input type="text"/>																
2	<input type="text"/>																
3	<input type="text"/>																
4	<input type="text"/>																

FNS-380-1 (10-01-2003) Previous editions obsolete.

## INSTRUCTIONS FOR COMPLETING FORM FNS 380-1, QUALITY CONTROL REVIEW SCHEDULE

### GENERAL INFORMATION

The Quality Control Review Schedule (QCRS) is the data entry form to record the results of Food Stamp Quality Control reviews.

The schedule consists of **seven** sections:

- 1** - Review Summary
- 2** - Detailed Error Findings
- 3** - Household Characteristics
- 4** - Information on Each Household Member
- 5** - Income Identified by Household Member
- 6** - Reserved Coding
- 7** - Optional - For State ~~Systems Only~~ **Use**

All entries in the QCRS are dollar amounts, dates, or numeric codes.

**Local Agency Code** - This code is used to group data by county or county equivalent or smaller areas. The system requires a three-digit code. The State may use Federal Information Processing Standards (FIPS) codes or use an alternative method to designate local agency. Once a State has selected a method, submit to the FNS regional office a listing of the local agencies and corresponding codes.

**FIPS Codes** - The National Bureau **Institute** of Standards **and Technology** has developed codes for classification of counties and county equivalents. These codes were devised by listing counties alphabetically and assigning sequentially odd integers; e.g., 001, 003, 005.

### QUALITY CONTROL REVIEW SCHEDULE

#### SECTION **1** - REVIEW SUMMARY

This section records the final determination of the QC review. It is used to compute the States payment error rate.

1. **QC Review Number** - Enter the number assigned to the Quality Control review.
- 1a. **2. Case Number** - Enter the number assigned by the local agency to the household that was certified and has been reviewed.
- ~~2. **3. State and Local Agency Code:**~~
- 2a. **State code** - Enter the two digit State code from the following list of codes of the ~~National Bureau of Standards and Technology~~ **National Institute of Standards and Technology**.

## State Codes - National Bureau of Standards and Technology

<u>State</u>	<u>Code</u>	<u>State</u>	<u>Code</u>
Alabama	01	Montana	30
Alaska	02	Nebraska	31
Arizona	04	Nevada	32
Arkansas	05	New Hampshire	33
California	06	New Jersey	34
Colorado	08	New Mexico	35
Connecticut	09	New York	36
Delaware	10	North Carolina	37
District of Columbia	11	North Dakota	38
Florida	12	Ohio	39
Georgia	13	Oklahoma	40
Guam	66	Oregon	41
Hawaii	15	Pennsylvania	42
Idaho	16	Rhode Island	44
Illinois	17	South Carolina	45
Indiana	18	South Dakota	46
Iowa	19	Tennessee	47
Kansas	20	Texas	48
Kentucky	21	Utah	49
Louisiana	22	Vermont	50
Maine	23	Virgin Islands	78
Maryland	24	Virginia	51
Massachusetts	25	Washington	53
Michigan	26	West Virginia	54
Minnesota	27	Wisconsin	55
Mississippi	28	Wyoming	56
Missouri	29		

**2b.4. Local Agency Code** - Enter the three-digit code designating the local agency for this case.

**3.5. Sample Month and Year** - Enter the month and year for which the case eligibility and benefit level were reviewed.

**4.6. Stratum** - Enter the two-digit stratum codes if sampling is stratified. **If not stratified** enter a State optional code or leave blank.

**5.7. Disposition** - Enter one of the following codes:

- 1 - Complete
- 2 - Not subject to review
- 3 - Incomplete
- 4 - Case deselected

If code 2, 3, or 4 are used, no further entries are required on the remainder of the review schedule **except item 74b 68, reserved code for Timeliness of Application Processing (Expedited and 30 Day Requirement).**

**6.8. Review Findings** - Enter one of the following codes:

- 1 - Amount correct
- 2 - Overissuance
- 3 - Underissuance
- 4 - Ineligible

**Do not complete sections 4 and 5 if code 4, ineligible, is used.**

**8.9. Coupon FS Allotment Under Review** - Enter the authorized amount of food stamps subject to review for the sample month.

**7.10. Amount of Error Amount** - Enter the dollar amount of any identified error. The dollar amount of the error is the difference between the benefits the State authorized and the benefits the State should have authorized. Use the lower error amount from comparison one or comparison two.

- For overissuance or underissuance errors, enter the error amount for those with errors exceeding \$25.00.
- For ineligible errors, enter the full amount of the error.

**47. 11. Case Classification** - Enter one of the following codes:

- 1 - Included in error rate calculation.
- 2 - Excluded from error rate calculation - processed by SSA worker.
- 3 - Excluded from error rate calculation, as designated by FNS (e.g. demo project, simplified FSP).

## SECTION II Household Characteristics 2 - DETAILED ERROR FINDINGS

This section provides for the detailed coding of each variance identified during the QC review. If additional lines are needed to code error findings, attach an additional page. Since the information recorded in this section is the basis for corrective actions, the accuracy of the information is important. If more than one variance is identified, the variance that the agency believes is most significant in leading to the error should be listed first.

**64. 12. Element** - Enter the appropriate element number of the review for each variance identified.

**65. 13. Nature codes** - Enter the appropriate code for the nature of each variance.

The following provides the element and nature codes to be used in items 64 12 and 65 13.

These nature codes may be used in any element:

Nature code (98) - Transcription or computation errors.

Nature code (99) - Other. Use this nature code in the following situations:

- a) If no specific nature code is listed under an element,

- b) If the nature of the error is clearly understood by looking at the agency/client code recorded for the error, or
- c) If none of the listed nature codes under an element apply to the error being recorded.

### ➤ **Element 311 - Wages and Salaries**

Nature codes:

- 32 - Failed to consider or incorrectly considered income of an ineligible member
- 35 - Unreported source of income (do not use for change in employment status)
- 36 - Rounding used/not used or incorrectly applied
- 38 - More income received from this source than budgeted
- 39 - Employment status changed from unemployed to employed
- 40 - Employment status changed from employed to unemployed
- 41 - Change only in amount of earnings
- 42 - Conversion to monthly amount not used or incorrectly applied
- 43 - Averaging not used or incorrectly applied
- 44 - Less income received from this source than budgeted
- 46 - Failed to consider/anticipate month with extra pay date
- 123 - Income incorrectly prorated

### ➤ **Element 361 - Standard Deduction**

Nature codes:

- 52 - Deduction that should have been included was not
- 53 - Deduction included that should not have been
- 65 - Incorrect standard used resulting from a change in household size

### ➤ **Element 560 - Reporting Systems**

**Note:** This element should be used to record errors resulting from the household being certified under an incorrect reporting system given the household's characteristics and the State agency's chosen options. Possible Reporting Systems include: Monthly Reporting, Quarterly Reporting, Semi-Annual Limited Reporting, Change Reporting, Status Reporting, 5 Hour Reporting and **no reporting (transitional benefits).**

Nature codes:

- 301 - Household improperly participating under retrospective budgeting
- 302 - Household improperly participating under prospective budgeting
- 303 - Household improperly participating under monthly reporting
- 304 - Household improperly participating under quarterly reporting
- 305 - Household improperly participating under semi-annual reporting
- 306 - Household improperly participating under change reporting
- 307 - Household improperly participating under status reporting
- 308 - Household improperly participating under 5 hour reporting
- 309 - Household improperly participating in transitional benefits

**66.14. Agency or Client Responsibility Cause** - Enter one of the following codes to indicate the primary cause for each variance identified.

- 1 - Information not reported. (Client failed to report information or changes that are required to be reported. Use this code only if the State could not know this information from another source or could not have anticipated the change.)
- 2 - Incomplete or incorrect information provided. (Client provided information that is incorrect or incomplete and the agency was not required to verify.)
- 3 - Information withheld by client. (Case being referred for IPV investigation.)
- 4 - Incorrect information provided by client. (Case being referred for IPV investigation.)
- 7 - Information reported by a collateral contact inaccurate. (The agency acted upon information provided by a collateral contact, which was verified by QC to be inaccurate, i.e. the client's employer reported incorrect salary information.)
- 8 - Acted on incorrect Federal computer match information that was not required to be verified. (This variance is excluded from the error determination but must be recorded.)
- 10 - Policy incorrectly applied. (The agency used the wrong policy/incorrectly applied policy when determining eligibility or processing change information.)

- 12 - Reported information disregarded or not applied. (The agency failed to take action on information reported by the client or information that became known through some other source, such as non-federal match information.)
- 14 - Agency failed to follow up on inconsistent or incomplete information. (Information provided by the household or collateral source was inconsistent with other information in the case record or incomplete but the agency failed to request verification.)
- 15 - Agency failed to follow up on impending changes. (The agency failed to take follow up action on a change that was anticipated, i.e. unemployment ending within the certification period, pregnancy, etc.)
- 16 - Agency failed to verify required information. (The agency failed to use third party information or documentation to establish the accuracy of statements on the application or change report form which are required to be verified. If the agency is not required to verify reported information use code 2.)
- 17 - Computer programming error. (The agency eligibility system caused the error due to a programming related problem, i.e. an incorrect amount for standard deduction was programmed into the system, the agency authorized the use of workarounds to the computer system that resulted in an error, etc.)
- 18 - Data entry and/or coding error. (The agency made a data entry error when keying into the State/local agency eligibility system, includes selection of incorrect codes.)
- 19 - Mass Change. (The error was due to a problem with a computer generated mass change, i.e. mass change was run late or incorrectly updated the case.)
- 20 - Arithmetic computation. (The agency made an error in computation or transcription, which was not related to computer programming or data entry.)
- 21 - Computer user error. (The EW failed to use computer system properly or used an unauthorized process to work around the system.)

99 - Other. (Variance caused by the agency, which does not fall under any of the specific causes listed above.)

**63.15. Error Finding** - (Optional). This item provides a means for reviewers to identify the impact of individual variances. If only one variance is recorded for an error case, the error finding code for this item and item **7 8, review finding**, should be the same. Enter the appropriate code for each variance:

- 2 - Overissuance
- 3 - Underissuance
- 4 - Ineligible

**67.16. Error Dollar Amount** - (Optional) Compute and enter the dollar amount of each separate variance. If one variance is coded, then the amount in this item should be the same as the amount of error in item **7 10**. If more than one variance is coded, the agency may use the optional guidance provided in Chapter 12 or use State developed procedures for assigning dollar amounts. Some agencies find this calculation helpful as an aid in prioritizing error causes for corrective actions.

**68.17. Discovery** - Enter one of the following codes to indicate how the variance was discovered:

- 1 - Variance clearly identified from case record: documentation is not from an automated match
- 2 - Variance clearly identified from case record: documentation is from an automated match
- 3 - Variance discovered from recipient interview
- 4 - Employer (present or former)
- 5 - Financial institution, insurance company, or other business
- 6 - Landlord
- 7 - Government agency or public records, not automated match
- 8 - Government agency or public records, automated match
- 9 - Other

**69.18. Verification Verified** - Enter one of the following codes to indicate how the variance was verified:

- 1 - From case record: verification is not from an automated match
- 2 - From case record: verification is from an automated match

- 3 - From information provided by recipient
- 4 - Employer (present or former)
- 5 - Financial institution, insurance company, or other business
- 6 - Landlord
- 7 - Government agency or public records, not automated match
- 8 - Government agency or public records, automated match (may not apply to tax information)
- 9 - Other

**70.19. Occurrence** - Complete the following for each variance:

- a. **Date** - Enter the date (month and year) the variance occurred.
- b. **Time Period** - Enter the appropriate code to indicate the time period during which the variance occurred.
  - 1 - Before most recent action **by agency** (The most recent action would be either a certification or a recertification.)
  - 2 - At time of most recent action by agency
  - 3 - After the most recent action by agency
  - 9 - Time of occurrence cannot be determined

### **SECTION III - Detailed Person-level Information 3 - HOUSEHOLD CHARACTERISTICS**

This section collects information about the household's processing and specifics about resources, income, and deductions that were the basis of their food stamp benefits.

Some specific items come from the case record (Items 10-11, 18-20, 20-24, and 26-27). These items are: most recent action, type of action, length of certification period, allotment adjustment, amount of adjustment, receipt of expedited service, and authorized representative.

For all other items use information from the final QC determination.

~~9. Most Recent Action~~ - Reserved. Leave blank.

~~9a. Prior Assistance~~ - Reserved. Leave blank.

~~40.~~ **20. Most Recent Certification Action** - Enter the effective date (month, day and year) of the most recent certification or recertification action prior to or concurrent with the review date. This date cannot be prior to the start of the most recent certification period and should be in the case record.

~~44.~~ **21. Type of Action** - Based on information in the case record, indicate the type of action by entering one of the following codes:

- 1 - Certification
- 2 - Recertification

**Certification** means the first time a case has been certified or a certification action following a break in participation.

**Recertification** means the initial certification period has expired and the agency has (a) completed a reexamination of all factors of eligibility subject to change following a period of time during which the recipient has been determined eligible and (b) made a decision to continue eligibility.

~~48.~~ **22. Months in Length of Certification Period** - Enter the number of months the household was certified to participate during the current certification or recertification. For households that are participating in months for which they have not been certified enter the code 98. This information should be found in the case record.

~~18(a). Sample Month in Certification - Reserved, leave blank.~~

~~38.~~ **23. Allotment Adjustment** - This item records whether there was any adjustment from the standard amount for the household size and income level of the household. Proration is providing less than a full month's allotment due to the date of application or receipt of verification. Other adjustments include claims recoupment, sanctions, and adjustments for failure to comply with other means tested programs. Supplements included in the allotment are not considered as allotment adjustments for this item.

Enter the code that indicates whether or not the allotment was adjusted or prorated. If more than one adjustment was made, enter the code for the adjustment with the greatest impact on the food stamp allotment.

Supplements included in the allotment are not considered as allotment adjustments for this item.

- 1 - No adjustment
- 2 - Prorated benefit
- 3 - Other adjustment

~~39.~~ **24. Amount of Allotment Adjustment** - Enter the amount of the allotment adjustment from the record. If more than one adjustment was applied, enter the total amount of the difference between the allotment for the household size and income of the household and the amount the household actually received. If item 23 is coded 1, no adjustment, leave this item blank. Enter 9 if the amount of adjustment is unknown.

~~42.~~ **25. Number of Household Members** - Enter the number of person(s) determined to be a part of the food stamp household and eligible to receive benefits based on the final QC determination. Include persons who should have been in the household but were not in the State's original determination. Do not include persons whose income/resources are considered but are not receiving food stamps or food stamp household members who have been disqualified from the program. If the household was ineligible for benefits, enter zero.

~~49.~~ **26. Receipt of Expedited Service** - Using information from the case record, enter the appropriate code for the household's entitlement to expedited service at the most recent certification in effect at the time of the sample month:

- 1 - Entitled to expedited service and received benefits within the Federal timeframe.
- 2 - Entitled to expedited service but did not receive benefits within the Federal timeframe.
- 3 - Not entitled to expedited service.

~~20.~~ **27. Authorized Representative Used at Application** - Enter the appropriate code using information from the case record. An authorized representative is a responsible adult designated by the household, in writing, to apply for benefits on behalf of the household. Did an authorized representative make application for the household?

- 1 - Yes

2 - No

~~73(b).~~ **28. Categorical Eligibility Status** - Was the household categorically eligible for benefits based on the final QC determination?

1 - Yes

2 - No

~~73a.~~ **29. Reporting System Requirement** - Select the code that describes the reporting system used to certify the household. If the household was certified under six-month reporting enter code "6", simplified reporting (also called six month reporting or semiannual reporting), even if QC determined that the appropriate reporting system should have been something else.

1 - \$25 change reporting

2 - \$80 change in earned income

3 - \$100 change in earned income

4 - Status reporting

5 - 5-hour change in hours worked and expected to continue over a month

6 - ~~Six-month Reporting~~ **Simplified reporting** (semi-annual reporting exceeding 130% of income poverty guidelines)

7 - Quarterly reporting

8 - Monthly reporting

9 - Transitional benefits (no reporting requirement)

10 - Other

### **Resources:**

~~43.~~ **30. Liquid Assets** - Enter the dollar value of liquid assets such as cash on hand, checking and savings accounts, money market accounts, stocks, bonds, income tax refunds using information from the final QC determination. For amounts greater than \$99,998 enter the code 99998. When there is an indication that a resource type was present but that amount is unknown, enter the code 99999. If an approximate amount is known, enter that amount.

**44.31. Real Property (Excluding Home)** - Enter the dollar value of land and buildings owned, excluding the primary residence using information from the final QC determination. For amounts greater than \$99,998 enter the code 99998. When there is an indication that a

resource type was present but that amount is unknown, enter the code 99999. If an approximate amount is known, enter that amount.

~~29(a)~~ **32(a). Vehicle** - Code information on up to two vehicles in items (a) and (b). Use information from the final QC determination. Vehicles should be entered in descending order based on the fair market value.

- 1 - No vehicles
- 2 - Vehicle exempt because used for producing income, as a home, to transport a physically disabled member, for long distance travel (other than commuting), or to carry fuel or water.
- 3 - Vehicle exempt because inaccessible resource (equity value is \$1,500 or less)
- 4 - Vehicle exempt due to categorical eligibility
- 5 - Vehicle excluded under State TANF standard (vehicle of non-categorically eligible household members only)
- 6 - Vehicle is registered and is attributable to an adult household member or is used by a person under 18 for employment or education (subject to fair market value only)
- 7 - Vehicle not registered (equity test only)
- 8 - Vehicle is not excluded and is not included in code 6 (subject to fair market value or equity test, whichever is greater)

~~29(b)~~ **32(b). Status 2nd Vehicle** - Use the codes from 29(a) the codes 2 through 8 from 32(a).

~~30(a) Value of Vehicle~~ - Reserved. Leave blank.

~~30(b) Value of Vehicle~~ - Reserved. Leave blank.

~~31(a) Equity Value of Vehicle~~ - Reserved. Leave blank.

~~31(b) Equity Value of Vehicle~~ - Reserved. Leave blank.

~~45.~~ **33. Countable Vehicle Assets** - Record that portion of a vehicle's value counted toward the household's resource limit using information from the final QC determination.

**16.34. Other Non-liquid Assets** - Enter the dollar value of non-liquid assets such as boats and trailers using information from the final QC determination. For amounts greater than \$99,998 enter the code 99998. When there is an indication that a resource type was present but that amount is unknown, enter the code 99999. If an approximate amount is known, enter that amount.

### **Income:**

**21.35. Gross Countable Income** - Enter the **countable gross** total monthly income of the Food Stamp household before applying any deductions to the income from the final QC determination. Enter all countable income. Include prorated amounts from ineligible household members.

**26.36. Net Countable Income** - Enter the **countable net** total monthly income from the final QC determination used to compute the amount of the Food Stamp allotment for the sample month after application of all appropriate deductions.

**27. Form of Benefit** - Reserved. Leave blank.

### **Deductions:**

**22.37. Earned Income Deduction** - Enter the amount of the earned income deduction that the household was eligible to receive based on the final QC determination.

**23.38. Medical Cost** - Enter the amount of the allowable medical expenses for elderly and disabled household members based on the final QC determination.

Do not record the value of the allowable medical deduction (\$35). Enter those medical expenses in excess of \$35 per month.

For example, if a household was billed \$100 for medical expenses, enter \$65 (\$100 minus the medical deduction of \$35).

**25.39. Total of Dependent Care Cost Deduction** - Enter the total dependent care deduction to which the household was entitled based on the final QC determination.

**33.40. Child Support Payment Deduction** - Enter the dollar value of the child support payment deduction from the final QC determination.

~~24. Shelter Cost~~ - Reserved. Leave blank.

**35.41. Shelter Deduction** - Enter the dollar value of the shelter deduction from the final QC determination.

**28.42. Homeless** - Select the code that applies to this household based on the final QC determination.

- 1 - Not homeless
- 2 - Homeless, not receiving homeless shelter allowance
- 3 - Homeless, receiving homeless shelter allowance

### **Additional Information on Shelter Costs:**

**34.43. Rent/Mortgage** - Enter the amount the household was billed for rent/mortgage from the final QC determination. Include taxes, insurance, condo fees and homeowner association fees.

**32.44. Standard Utility Allowance Use of SUA** - This entry has two boxes that are used to collect different information about the SUA. **Do not complete 44(b) if 44(a) is coded 1.**

**a. Usage First Box** - Enter the code which describes usage and entitlement to the SUA based on the final QC determination:

- 1 - No utilities and no LIHEAA
- 2 - Uses actual expenses
- 3 - Uses higher standard based on LIHEAA
- 4 - Uses higher standard and does not receive LIHEAA
- 5 - Uses lower standard
- 6 - Uses phone only standard
- 7 - Uses individual standards
- 9 - Other

LIHEAA is the Low Income Home Energy Assistance Act, your State program may have another name such as Home Energy Assistance Program (HEAP)

**Higher Standard** is an SUA based upon receipt of heating or cooling and includes all utilities

**Lower Standard** is an SUA based upon all utilities but is for households who do not incur heating or cooling or receive LIHEAA.

**b. Proration.** ~~Second Box, Enter~~ **Select** the code that identifies whether the SUA amount was prorated (e.g. prorated among non-household members of the residence).

- 1 - Not prorated
- 2 - Prorated

~~37. Standard Utility Allowance Amount - Reserved. Leave blank.~~

**36.45. Utilities (SUA or Actual)** - This item should be completed for all cases. For households using actual utility expenses, enter the actual amount that was billed for all utilities (gas, water, phone, electric, etc.) based on the final QC determination. For households using an SUA, enter the amount of the SUA that was used, based on the final QC determination. **Enter \$0 if there were no utility expenses.**

~~SECTION IV - Total Household Income, by Household Member and Amount of Income~~ **4 - INFORMATION ON EACH HOUSEHOLD MEMBER**

Complete the following section, using information from the final QC determination, for eligible food stamp households. Enter information on each household member, including individuals whose income and resources were considered in establishing food stamp benefit level. If the number of household members exceeds the number of lines available, attach an additional page to allow for coding detailed person-level information on all food stamp household members. **You may currently enter information on up to 16 individuals on the automated system, but you may record information on all household members using the paper form. If the entire household is ineligible, For ineligible households do not enter any information in this section.**

For disqualified or ineligible food stamp household members, items ~~40~~ **46**, ~~41~~ **47**, ~~42~~ **48**, and ~~53~~ **58**, if applicable, (person number, food stamp program participation, relationship to head of household, and dependent care costs) of this section must be completed. Information on income for these members

must also be recorded in Section IV 5. For disqualified or ineligible members, the rest of the information in this section should be completed based on information known through observation or available in the case record.

NOTE: Do not enter zeros in items 42 48, 44-46 50-52, and 48-53 54-58 (Relationship to Head of Household, Sex, Race, Citizenship Status, Employment Status, Work Registration, Employment and Training Program Status, ABAWD Status, and Dependent Care Cost).

**40. 46. Person Number** - Assign and enter a number for each food stamp household member (1, 2, etc.). This will include ineligible food stamp household members whose resources and income are considered in the eligibility determination. Use this assigned number to identify household members with income in Section IV 5. Code the head of the household as person 1.

**41. 47. Food Stamp Program Participation Case Affiliation** - For each person indicate his/her eligibility or ineligibility for participation in the FSP (i.e., either eligible for participation and entitled to benefits or a reason for ineligibility. For ineligible non-citizens, whether they participate in a State funded FSP).

- 1 - Eligible member of Food Stamp case under review and entitled to receive benefits
- 2 - Reserved
- 3 - Reserved
- 4 - Member is an ineligible non-citizen and is not participating in a State funded FSP
- 5 - Member not paying/cooperating with Child Support agency
- 6 - Member is an ineligible striker
- 7 - Member is an ineligible student
- 8 - Member is disqualified for program violation
- 9 - Member is ineligible to participate due to disqualification for failure to meet work requirements (work registration, E&T, acceptance of employment, employment status/job availability, voluntary quit/reducing work effort, workfare/comparable and workfare).
- 10 - ABAWD time limit exhausted and the ABAWD is ineligible to participate due to failure to meet ABAWD work requirements, to work at least 20 hours per week, to participate at least 20 hours per week in qualifying educational training activities or to participate in workfare.
- 11 - Fleeing felon or parole and probation violator
- 12 - Reserved

- 13 - Convicted drug felon
- 14 - Social Security Number disqualified
- 15 - SSI recipient in California.
- 16 - Prisoner in detention center
- 17 - Foster care
- 18 - Member is an ineligible non-citizen and is participating in a State-funded Food Stamp Program.
- 99 - Unknown

**42. 48. Relationship to Head of Household** - Enter the code that shows the relationship (including by marriage) of the person indicated in item 40 46 (person number) to the head of the household, as defined by the Food Stamp Program from final QC determination.

- 1 - Head of household
- 2 - Spouse
- 3 - Parent
- 4 - Daughter, stepdaughter, son, stepson
- 5 - Other related person (brother, sister, niece, nephew, grandchild, great-grandchild, cousin)
- 6 - Foster Child
- 7 - Unrelated person

**43. 49. Age** - Enter the age (in years) from the final QC determination, of each household member. For children less than 1 year old, enter 0. For persons 98 and older enter 98. If exact age is unknown, enter the best available information.

**44. 50. Sex** - Enter the appropriate code:

- 1 - Male
- 2 - Female

**45. 51. Race** - Enter the race of each person living in the household.

- 1 - White, not of Hispanic origin
- 2 - Black, not of Hispanic origin
- 3 - Hispanic
- 4 - Asian or Pacific Islander (Oriental)
- 5 - American Indian or Alaskan Native
- 9 - Unknown

**46.52. Citizenship Status** - Enter the appropriate code.

- 1 - U.S. born citizen
- 2 - Naturalized Citizen
- 3 - Legal permanent resident with 40 quarters, military service, five years legal United States residency, disability, or under 18 years of age.
- 4 - ~~Reserved~~ Legal qualified resident in US by 8/22/96 and under 18, disabled or turned 65 by 8/22/96\*
- 5 - Person admitted as refugee, granted asylum or given a stay of deportation.
- 6 - Other eligible non-citizen
- 7 - Non-citizen legally in US who does not meet one of the above codes and who is not receiving food stamps but whose income and resources must be considered in determining benefits
- 8 - Other ineligible legal non-citizen (e.g. visitor, tourist, student, diplomat)
- 9 - Undocumented non-citizen
- 10 - Non-citizen, status unknown
- 99 - Unknown

~~\* Effective for April 1, 2003 and later cases use code 3 for legal permanent residents with five years United States residency or military service and discontinue use of code 4.~~

**47.53. Educational Level** - Enter highest educational level completed for each member of the household from the final QC determination:

- 0 - None
- 1 - Grade 1
- 2 - Grade 2
- 3 - Grade 3
- 4 - Grade 4
- 5 - Grade 5
- 6 - Grade 6
- 7 - Grade 7
- 8 - Grade 8
- 9 - Grade 9
- 10 - Grade 10
- 11 - Grade 11
- 12 - High school diploma or GED\*
- 13 - Post secondary education (e.g. technical education or some college)

- 14 - College graduate or post-graduate degree
- 99 - Unknown

\* If member attended grade 12 but did not graduate, use code 11.

**51.54. Employment Status** - Enter information on the current employment status of all persons based on the final QC determination.

**First box: Status**

- 1 - Not in labor force and not looking for work
- 2 - Unemployed and looking for work
- 3 - Active duty military
- 4 - Migrant farm laborer
- 5 - Non-migrant farm laborer
- 6 - Self-employed, farming
- 7 - Self-employed, non-farming
- 8 - Employed by other

**Second box: Hours Worked**

- 1 - Not employed
- 2 - 1-19 hours per week
- 3 - 20-29 hours per week
- 4 - 30-39 hours per week
- 5 - 40+ hours per week

**49.55. Food Stamp Program Work Registration** - Enter information on the current work registration status of all persons as known by the State agency based on the final QC determination:

- 1 - Federal exemption
- 3 - Work registrant, not employment and training (E&T) participant
- 4 - Work registrant, voluntary E&T participant
- 5 - Work registrant, mandatory E&T participant

**48.56. Food Stamp Program (FSP) Employment and Training (E&T) Program Status** - Enter information on the current E&T program status of all household members as known by the State agency based on the final QC determination:

- 0 - Not participating in E&T

- 1 - Participating in non-FSP E&T (such as TANF)
- 2 - FSP Job search or job search training
- 3 - FSP E&T workfare or work experience
- 4 - FSP E&T Work supplementation
- 5 - FSP E&T education leading to HS diploma or GED
- 6 - FSP E&T post secondary education leading to degree or certificate
- 7 - FSP E&T remedial education (including adult education and English lessons not leading to a degree)
- 8 - FSP E&T vocational training
- 9 - Other

**52.57. ABAWD Status** - A household member must be age 18 through 49 to be an Able Bodied Adult Without Dependents (ABAWD). Enter one of the following codes from the final QC determination:

- 1 - Not an ABAWD
- 2 - ABAWD in a waived area
- 3 - Exempt based on 15 percent option
- 4 - ABAWD meeting work requirements
- 5 - ABAWD in 1<sup>st</sup> 3 months
- 6 - ABAWD in 2<sup>nd</sup> 3 months
- 7 - ABAWD who has exhausted time limited benefits

**25.58. Total of Dependent Care Cost Deduction** - For each child/adult with associated dependent care expenses enter the amount of the expense that the household is responsible for paying using information from the final QC determination. If the cost for more than one child/adult is combined, divide the cost evenly amongst each child/adult receiving care.

## SECTION IV 5 - ~~Total Household Income by Household Member and Type of Income~~ INCOME IDENTIFIED BY HOUSEHOLD MEMBER

**54.59. Person Number** - Enter the person number from Section III 4 or the facesheet of for each food stamp household member with income based on information from the final QC determination. (This number is assigned in Section III 4, item 40 46).

### Source 1

**55,60. Type of Income Type** - (This instruction applies to items ~~55, 57,~~ 59, 60, 62, 64, and ~~64~~ 66). Based on the final QC determination, identify the type of countable income as listed below for each type of income received by a food stamp household member.

**Earned Income (Not Subsidized)**

- 11 - Wages and salaries
- 12 - Self-employment
- 14 - Other earned income

**Subsidized Earned Income**

- 16 - Wage supplementation - enter earnings that are above cash assistance and/or food stamp amount

**Unearned Income**

- 15 - Energy Assistance income
- 31 - RSDI benefits
- 32 - Veterans benefits
- 33 - SSI
- 34 - Unemployment Compensation
- 35 - Workmen's Compensation
- 36 - Other government benefits
- 37 - Foster care income
- 42 - Contribution
- 43 - Deemed income
- 44 - State general assistance or other State-funded welfare (don't include TANF here)
- 45 - Educational grants/scholarships/loans
- 46 - Other
- 47 - TANF
- 48 - State only diversion payment
- 49 - Interest income
- 50 - Court ordered child support payments received from absent parent or responsible person
- 99 - Unknown

**56,61. Amount of Income** - (This instruction applies to Items ~~56, 58, 60,~~ 61,63, 65, and ~~62~~ 67.) Enter the gross amount of countable income received by the food stamp household member for the month from the final QC determination.

**Source 2**

~~57.62.~~ **Type of Income Type** - Second type of income. See item 55 60.

~~58.63.~~ **Amount of Income** - Second amount of income. See item 56 61.

### Source 3

~~59.64.~~ **Type of Income Type** - Third type of income. See item 55 60.

~~60.65.~~ **Amount of Income** - Third amount of income. See item 56 61.

### Source 4

~~61.66.~~ **Type of Income Type** - Fourth type of income. See item 55 60.

~~62.67.~~ **Amount of Income** - Fourth amount of income. See item 56 61.

## SECTION 6 - RESERVED CODING

~~71(b).~~ **68. Timeliness of Application Processing (Expedited and 30 Day Requirement** - This information is being collected for possible bonus payments. We want to delineate if there was timeliness of application processing for cases when a new application was filed in the current Federal **Fiscal Year** review period. ~~the sample month-benefits are based upon a new application for the current certification-period. This relates to item 11, the most recent action which indicates certification or recertification~~

~~Recertifications will be coded but will not be used in determining the bonus payments but are identified for ensuring accuracy of data.~~

~~For certifications, we are interested in identifying the timeliness of processing according to Federal processing standards. According to federal regulations, a household entitled to expedited service should receive benefits in 7 days. Applications must be processed by the 30<sup>th</sup>-day following the date of application.~~

**Timeliness of application processing is measured for cases that filed an application in the current Fiscal Year. If there is more than one application in the current Fiscal Year, measure timeliness for the most recent application for or prior to the sample month.**

We are measuring the timeliness of application processing according to Federal processing standards. A household entitled to expedited service must be provided the opportunity to participate within 7 days. Households not entitled to expedited service must be provided the opportunity to participate by the 30th day following the date of application. A case that meets the applicable Federal processing standard is coded 1 - timely. A case that fails to meet the applicable Federal processing standard is coded 2 - not timely.

If a new application was not filed in the review year, the case will not be used in determining the bonus payment. The case should be coded 3 - Other. Also, use Code 3, for cases that have been properly pending for incomplete verification. Improperly pending cases should be coded 2 - not timely.

Cases where following a complete review of circumstances and records have no documentation, application or information on the processing of the case to make a determination of timeliness of the application processing should be coded with Code 3. For cases with this problem, every effort should be made to determine the timeliness of the case before deciding to use the Other code.

Please indicate the appropriate code:

#### Recertification

~~1 - Case was for the last action-~~

#### Applications

~~2 - Application date is before the beginning of the current Federal fiscal year~~

~~3 - Entitled to expedited service and given the opportunity to participate within the 7-day federal processing standard~~

~~4 - Entitled to expedited service but not given the opportunity to participate within the 7-day federal processing standard~~

~~5 - Not entitled to expedited service and given the opportunity to participate within the 30-day federal processing standard for new applications~~

~~6 - Not entitled to expedited service and not given the opportunity to participate within the 30-day federal processing standard for new applications~~

- 1 - Timely
- 2 - Not timely
- 3 - Other

~~71(a)~~ **69. Handled as an Earned Income Case** - A household was handled as an earned income household when the State knew about earned income prior to the sample month and acted on this information or made decisions about the handling of this income before the sample month. A household was not handled as an earners household when the household had no earned income at certification or anytime after certification or the State was unaware that there was earned income or failed to act on this information within the appropriate timeframe before the sample month. Enter the appropriate code:

- 1 - Household was handled as an earned income case
- 2 - Household was not handled as an earned income case

~~72(a)~~ **70. Handled as Case With Non-Citizens** - A household was handled as a non-citizen case when the State knew about the existence of non-citizens associated with the household before the sample month and made decisions about the inclusion or exclusion of these individuals. This includes Federal and State funded food stamp recipients as well as those non-citizens ineligible for Federal or State funded food stamps. A household was not handled as a non-citizens case when the household consists entirely of citizens or the State did not know prior to the sample month or act on the knowledge that there were non-citizens associated with the case.

- 1 - Household includes eligible or ineligible non-citizens known to the State
- 2 - Household does not include eligible or ineligible non-citizens that were known to the State.

~~72(b)~~ - Reserved.

**71. - 76.** - Reserved

**SECTION VI-7 - OPTIONAL FOR STATE SYSTEMS ONLY USE**

There are 4 lines of spaces available to the State to code additional information.

## APPENDIX D

### INSTRUCTIONS FOR COMPLETING FORM FNS-245, QUALITY CONTROL NEGATIVE CASE ACTION REVIEW SCHEDULE

#### GENERAL INSTRUCTIONS

The Negative Case Action Review Schedule was developed to serve as the data entry and review form for negative cases. It is to be used to document all negative case reviews and as a worksheet for documenting the review. The schedule consists of five sections as follows:

- I - Case Management Information
- II - Identifying Information
- III - Analysis of Review Activity
- IV - Description of Variances
- V - Explanation of Review Findings

#### ITEM C. State and Local Agency Code:

- **State Agency Code** - In the first two blocks, enter your two-digit State code. These are the codes used by the ~~National Bureau of Standards~~ **National Institute of Standards and Technology**.
- **Local Agency Code** - In the last three blocks, enter the same three-digit code that the State agency uses to code local agencies for the QC review of active cases.

#### ➤ Element 162 - Work Registration Requirements

Nature codes:

- 1 - Eligible person(s) excluded
- 7 **2** - Ineligible person(s) included

➤ **Element 361 - Standard Deduction**

Nature codes:

- 43** 49 - Deduction that should have been included was not

➤ **Element 363 - Shelter Deduction**

Nature codes:

- 43** 49 - Deduction that should have been included was not
- 51 - Incorrect amount used resulting from a change in residence
- 53 - Incorrectly prorated

➤ **Element 364 - Standard Utility Allowance**

Nature codes:

- 43** 49 - Deduction that should have been included was not
- 50 - Incorrect standard used (Not as a result of a change in household size or move)
- 51 - Incorrect amount used resulting from a change in residence
- 52 - Incorrect standard used resulting from a change in household size
- 53 - Incorrectly prorated

➤ **Element 365 - Medical Deductions**

Nature codes:

- 43** 49 - Deduction that should have been included was not

➤ **Element 366 - Child Support Payment Deduction**

Nature codes:

- 43** 49 - Deduction that should have been included was not

➤ **Element 413 - Application**

Nature code:

66 - Improper denial within 30-day period for missing interview(s)

**APPENDIX E**

No changes in Appendix E.