



Food and
Nutrition
Service

1320 Braddock Place
Alexandria, VA
22314

Date: June 21, 2023

SUBJECT: Supplemental Nutrition Assistance Program (SNAP) –
Clarifications for Using information from Third Party Income
Databases

TO: All SNAP State Agencies
All Regions

This memorandum addresses confusion from the August 21, 2019, memorandum Information from Third Party Payroll Sources, clarifying how information from third party payroll databases may be used for Supplemental Nutrition Assistance Program (SNAP) certification and quality control (QC) purposes. The Food and Nutrition Service (FNS) understands these, like The Work Number, are useful resources for verifying household income, though SNAP State agencies continue to have questions on how they may be leveraged.

Use of Third Party Information for Certification Purposes

State agencies may use information from a third party income database to verify information provided by a household about their earnings. When doing so, the State agency must document in the case record what was used to make the eligibility or benefit determination, pursuant to 7 CFR 273.2(f). Documentation may include a printout or screen shot of the database result(s) or a notation of what information from the database was used to make the determination such as pay date(s) or gross and net payment amounts.

Program rules at 7 CFR 273.2(f) do not require that the verification match the household-provided information exactly since the hours and earnings of low-income workers often fluctuate. The State agency does not need to require paystubs or other employer-provided verification if the information it receives through the database is reasonably consistent with the earnings information the household provides. When determining reasonably consistent standards, states should consider policies such as error thresholds and income averaging found in 7 CFR §273.10(c)(3).

As a reminder, verifying income is one component in prospective budgeting for SNAP. State agencies must consider what income can be reasonably anticipated over the certification period in addition to using income from the preceding 30 days as an indicator of future earnings. This determination cannot be made using past paystubs or third party payroll information alone and must reflect information gathered about the household's expected circumstances.

FNS encourages State agencies that use third party income databases as part of the verification process at initial application and/or recertification to initiate the query prior to, or during, the interview whenever possible. This best practice allows the State agency an opportunity to resolve potential inconsistencies without requiring additional contact or additional verification.

If the State agency receives information from a database during a household's certification period, but the household has not reported this income, the State agency must follow the regulations for unclear information at 7 CFR 273.12 (c)(3). The next action taken by the State agency will depend on when in the certification period this occurs and the household's assigned reporting system. Please note that if an employer uses a third party payroll source as its legal agent to provide payroll services (or respond to inquiries about employee records) this information could be treated as if from a primary source.

Use for QC Purposes

For QC review purposes, the reviewer

may use databases to verify information provided directly by the household, case record, or a collateral contact. It can also be used to complete elements in a case where there is a failure or refusal to cooperate and for negative allegations for certain elements.

If information gathered from a database differs from what a QC reviewer has obtained from the household, case record, or collateral contact, the reviewer must follow the QC review procedures on addressing conflicting information as outlined in the FNS Handbook 310. Reviewers must follow Section 513 of the FNS Handbook 310 to document how they resolve any conflicts and determine which information is correct.

If you have any questions regarding the processes laid out in this memorandum, please contact your FNS Regional Office.

Sincerely,

Moira Johnston
Acting Director
Program Development Division
Supplemental Nutrition Assistance Program

Rachel Frisk
Director
Program Administration and Nutrition Division
Supplemental Nutrition Assistance Program