



Food and
Nutrition
Service
Alexandria, VA



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Chapter 1 INTRODUCTION

100 GENERAL. This handbook provides procedures for conducting quality control (QC) reviews of Supplemental Nutrition Assistance Program (SNAP) cases. Users of this handbook are expected to understand and accurately apply SNAP certification policies. The first chapter contains general provisions and definitions.

110 PURPOSE. Each State agency is responsible for conducting QC reviews as part of its Performance Reporting System. For QC reviews, a statistical sample of households must be selected from two different sampling universes: households participating in SNAP (these are active cases) and households for which participation was denied, suspended, or terminated (these are negative cases).

All users of this handbook must comply with the directives and protocols outlined in a manner that maintains integrity of the QC system by employing activities that constantly and consistently avoid bias.

It is imperative the verification, documentation, and coding of all QC cases accurately reflect the circumstances of the case. The data collected is used for multiple purposes including calculating official error rates, program research, corrective action planning, and other uses.

Reviews must be conducted on active cases to determine if households are eligible and receiving the correct allotment amounts. Reviews of negative cases must be conducted to determine whether decisions and/or procedural processes to deny, suspend, or terminate cases are correct. All reviews are conducted in accordance with Federal regulations, State options, and approved waivers.

Reviews measure the accuracy/validity of SNAP cases as of the review date (AORD).

The State agency must review cases against the SNAP Program standards established in the Food and Nutrition Act of 2008, as amended, and regulations as stated in the Code of Federal Regulations (CFR). Reviewers must take into account any waivers or State options approved by the Food and Nutrition Service (FNS) and implemented by the State to deviate from specific provisions.

States must routinely address QC procedures in certification waiver requests. If the waiver will result in a need to deviate from the procedures in this Handbook, the State agency must:

- identify the regulatory citation and handbook section,
- describe what the new QC procedure will be, and
- request approval of that procedure with a certification waiver request.

Approval must be granted by FNS before the QC procedure can be used by the State Agency. The reviewer must document all cases reviewed under modified procedures with the certification waiver name or description and the period for which the applicable waiver was in effect as it pertains to the case under review.

Note: QC must document when an approved waiver has been terminated or withdrawn.

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

- A systematic method of measuring the accuracy/validity of the SNAP caseloads
- 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 liabilities for State agencies with error rates that exceed the national performance measure.

130 DEFINITIONS.

Active Case - A household certified prior to or during the sample month and issued a SNAP allotment for the sample month. For benefits to be considered issued, funds must be posted to the online Electronic Benefit Transfer (EBT) system. Active cases under review must also have accessed benefits on the EBT card ([see Section 321](#)).

As of the Review Date (AORD) - As of the day within the sample month, either the first day of the fiscal or calendar month, or the day a certification action was taken to authorize the issuance being reviewed.

Authorized Representative - An individual who can act on behalf of a household in the application process, in obtaining SNAP benefits, and in using SNAP benefits. The authorized representative designated for application processing purposes may also carry out household responsibilities during the certification period, such as report changes in the household's income or other household circumstances. A non-household member may be designated as an authorized representative for the application process provided that person is an adult who is sufficiently aware of relevant household circumstances and the [authorized representative](#) designation has been made in writing by the head of the household, the spouse, or another responsible member of the household.

Bias - The act of treating cases differently, intentionally or unintentionally, during a SNAP QC review. Please see [Section 154](#) for more detailed information.

Budget Month - The fiscal or calendar month from which a household's income and other circumstances are used to calculate the SNAP allotment for the corresponding issuance month. This is the month in which most budgeting circumstances for Comparison II are based, with exceptions based upon reported/unreported changes in individual elements and corresponding reporting requirements/State options.

- [Retrospective budgeting system](#)
- [Prospective budgeting system](#)

Case and Procedural Error Rate (CAPER) - The measurement of negative case reviews.

Case Records - QC works with two types of case records: The certification record and the QC review record.

Certification Record - All records establishing a household's eligibility or ineligibility, and in active cases, authorizing the issuance of a SNAP allotment.

- The certification record includes records, which may refer to the case file, certification record and issuance record.
- The certification record is usually found electronically and may be maintained by a data processing unit. In some instances, the certification record is maintained by and located in the local certification office or other State facility.
- The certification record must include, but is not limited to the following:
 - all documentation from the last application/reapplication including all all changes;
 - all case forms including the application, reports, and screenshots for eligibility, at a minimum, from the certification month through the sample month;
 - all information collected and created by the State to determine and maintain eligibility, including notes, comments/narratives from, at a minimum, the certification month through the sample month;
 - screen shots for eligibility, issuance, and participation; and
 - imaged documents.

QC Review Record - The QC review record is created by the QC unit to review sampled cases. This record must include all certification-related records for each sampled case and the following:

- the QC review narrative summary (include the sample selection date for the case),
- the relevant QC form(s), including the FNS-380 and FNS-380-1, or the FNS-245, and all supporting pieces of documentary evidence (with the applicable element numbers identified in the top right of the document),
- QC Field and reviewer notes, comments/narratives,
- when applicable, additional QC review notes (e.g., second-party, supervisor review notes, etc.), and
- e-mails that include information which assisted in the final QC determination of the sampled QC case.

Categorical Eligibility (CE) - Households in which members receive or are authorized to receive:

- public assistance (PA) - Traditional CE
- Supplemental Security Income (SSI) - Traditional CE
- a State or local general assistance (GA) program - Traditional CE
- non-cash or in-kind TANF/MOE benefit (narrow CE or Broad-Based CE)

Categorical eligibility does not apply in these situations:

- the entire household is institutionalized, or
- the household or a member has been disqualified from receiving SNAP because of:
 - an intentional program violation,
 - failure to comply with a work-related requirement,
 - failure to submit a monthly report, or
 - conviction of a drug-related felony (except for those States where the legislatures have enacted legislation limiting this disqualification).

Some elements of eligibility are deemed because the household qualified for a program that conferred SNAP categorical eligibility. These include:

- resource limits,
- gross and net income limits,
- sponsored non-citizen information,
- residency, and
- Social Security number, except when CE has been conferred by GA benefits.

Certification Action - Action taken on a case prior to or on the review date that authorized the sample month's issuance, including:

- initial certifications,

- recertifications,
- interim changes,
- changes prior to issuance, and
- authorizations of supplemental issuances.

Change - An event that results in a difference between the household's circumstances AORD, and its circumstances at the time of certification or recertification. Changes include all events that either the household or the agency became aware of, regardless of whether the event was reported and/or properly acted upon by the household or State agency.

Collateral Contact - Source of information which can be used to verify household circumstances. Collateral contacts are generally individuals such as landlords, employers, schools, clergy, neighbors, and government offices.

A collateral contact cannot be a person who is in the SNAP household under review, or a person who was involved in any way with the certification of the household, or an office within the State agency administering the program for purposes of primary or secondary evidence. A collateral contact serves to support or reinforce a statement or claim by the household, or to provide information about the household's circumstances.

Note: When an Authorized Representative (AR) is acting to fulfill the requirements of the personal interview, they are acting in the capacity of the client and therefore are an inappropriate collateral contact for the household. However, if the AR is the only source of verification for an element, such as if they provide dependent care services to the client, it would be appropriate to have the AR verify the specific element.

Documentation - A written or printed statement on paper, or recorded electronically, which is used in multiple contexts, including:

- The process of reviewers recording information and explaining verification of household circumstances related to each element under review as a part of the overall QC process.
- A written or printed statement on paper, or recorded electronically, that is used as verification of an element. Note that while documentation standards, as found in Chapter 5, require that written documents or forms must be used if available; the documentation of a verbal statement of verification may also be used when written or paper statements cannot be obtained.

Electronic Benefit Transfer (EBT) Card - The method used to access EBT benefits issued to a household member or authorized representative through the EBT system by a benefit issuer. This typically describes an on-line magnetic stripe card

that operates similarly to a debit or ATM card. [See Section 321](#) for details regarding participation in EBT systems.

Electronic Benefit Transfer (EBT) System - An electronic payment system under which household benefits are issued from and stored in a central databank maintained and managed by a State or its contractor and uses electronic funds transfer technology for delivery and control of food and other public assistance benefits. [See Section 321](#) for details regarding participation in EBT systems.

Elements - A point or condition of SNAP eligibility that a household must meet. Elements must be verified and documented by the reviewer on the FNS-380 or an FNS approved worksheet.

Eligibility Worker - The State agency's employee who made the eligibility decision on the case.

Error - A determination made by a quality control reviewer in which the active or negative action taken by the State agency differs from the findings of the QC review. An error is found when it is determined that the:

- household was either ineligible or was issued an incorrect allotment amount, or
- decision or process to deny, terminate, or suspend benefits is incorrect.

Error Determinant Month - The first full month that ends more than 30 days before the review date. The error determinant month is used only in procedures related to prospectively budgeted, earned income \$125 change reporting households.

Error Review Committees - The role of an error review committee is to review cases for the purpose of future corrective action planning. Committees operate most effectively when they include representatives from QC, policy, and technical staff responsible for eligibility systems. This provides a variety of perspectives on the root causes of errors identified through the QC process.

Future errors may be prevented during the eligibility and benefit determination process when the State agency uses this information through:

- Identifying error trends
- Utilizing training
- Implementing process improvements or technology to prevent future errors from occurring based on the root causes identified through the quality control process

Error Threshold - The tolerance level for excluding small errors.

Effective fiscal year 2015, the error threshold is adjusted annually. The percentage of adjustment will correspond to the amount by which the Thrifty Food Plan (TFP) for the 48 contiguous States and the District of Columbia is adjusted. For the value for the current fiscal year and previous years refer to the link in [Appendix A Placeholder](#).

Government Assistance (GA) - Cash or another form of assistance, excluding in-kind assistance, financed by State or local funds as part of a program which provides assistance to cover living expenses or other basic needs intended to promote the health or well-being of recipients.

Initial Month - The first month for which the household was certified for participation in SNAP following any period when the household was not certified. For an initial month, benefits are prorated from the date of application to the end of the month.

However, for migrant and seasonal farmworker households, the initial month is the first month following a period of more than 30 days in which the household was not certified.

Interim Change - A recalculation of SNAP benefits resulting from a change reported by the household, or a change the State agency becomes aware of through a source other than the household. Recalculations of SNAP benefits are required, dependent upon two things:

- The reporting system of the household as required in Federal regulation and State options, and
- the type of change either reported by the household or that the State agency becomes aware of through a source other than the household.

Specific guidance regarding each reporting system is provided in [Chapter 7](#).

Exception: Does not include *non-income* related mass changes. Non-income related mass changes include, but are not limited to:

- Adjustments to Standard Utility Allowance (SUAs), and
- adjustments to Standard deductions.

Note: The recalculation does not have to result in a change to the allotment. In order to be considered an interim change under this definition, the certification record must document two things have occurred:

- A change is reported by the household, or the State agency becomes aware of the change, and
- the EW is required to act on the change, and the EW documented their

decision that the household's allotment will not be affected by the change.

Issuance Month - The fiscal or calendar month for which the State agency issued a SNAP allotment. A case's issuance month will always be the same as its QC sample month. In prospective budgeting, the budget month and issuance month are the same. In retrospective budgeting, the issuance month follows the budget month and the issuance month shall begin within 32 days after the end of the budget month.

Likely Conclusion - The use of information, other than standard verifications, used in conjunction with verified case record information, and supports a reasonable judgement for a particular element or elements.

Mandatory Report Forms - Households certified under quarterly, monthly, or simplified reporting (when certified for longer than six months) must file a [complete](#) mandatory report to continue receiving SNAP benefits.

Mass Change - Certain changes initiated by the State or Federal government which may affect the entire caseload or significant portions of the caseload. These include changes in the eligibility and benefit criteria based on legislative or regulatory changes.

Mitigation - The act of attempting to lessen or decrease a QC error to reduce the impact of the error instead of accurately reporting the error. Corrections for policy or math errors are not considered mitigation.

Negative Allegation - Denial by a household regarding a circumstance related to their SNAP eligibility.

Negative Case - A household whose application for SNAP benefits was denied, or whose SNAP benefits were suspended, or terminated by an action in the sample month.

Overissuance - The amount of SNAP benefits the household was authorized to receive was greater than what the household was eligible to receive.

Payment Error Rate (PER) - The measurement of the accuracy of the active case review.

Positive Allegation - Acknowledgement by a household regarding a circumstance related to its SNAP eligibility.

Processing Month - The month between the budget month and the issuance month in a two-month retrospective budgeting system.

Prospective Budgeting - The computation of a household's SNAP benefits for an issuance month is based on an estimate of income and other circumstances reasonably anticipated for that month.

There are special provisions for:

- Annualizing income
- Prorating educational monies and most contract income
- Averaging some deductions

Prospective Eligibility - An eligibility system in which the eligibility determination is based on income and other household circumstances reasonably anticipated for the issuance month.

Public Assistance (PA) - Any of the following programs authorized by the Social Security Act of 1935, as amended:

- Old-age assistance
- Temporary Assistance for Needy Families (TANF)
- Aid to the blind
- Aid to the permanently and totally disabled
- Aid to aged, blind, or disabled

Note: It does not include Supplemental Security Income.

Quality Control Review - A review of a statistical sample of active cases and negative actions to determine whether households are receiving the SNAP allotments to which they are entitled, and to determine whether decisions and/or procedural processes to deny, suspend, or terminate cases are correct.

Recertification - A certification action taken to authorize benefits for an additional period of time immediately following the expiring certification period.

Record Retention - The length of time a State agency must retain State QC files without loss or destruction. For any given fiscal year, all QC records (including the eligibility files relevant to those QC cases and any documentation or notes, including all applicable electronic files, that had an impact on how a QC case was finally determined by QC) must be retained for a minimum of three years following fiscal closure to meet federal record retention requirements. For States in liability status, record retention begins on the date the liability is resolved.

Reporting Systems - Households are required to report certain specified changes in their circumstances within FNS approved time frames and rules.

Change Reporting - Households are required to report changes in household composition, changes in residence and the resulting change in shelter costs, acquisition of a licensed vehicle not fully excludable, a change in liquid resources that reach or exceed the resource limits, and changes in legal obligation to pay child support. All change reporting households must report the following changes in income:

- a change in more than \$125 in unearned income, and
- a change in the source of income - starting or stopping a job or changing jobs, if the change in employment is accompanied by a change in income, and
- depending on the State options, States must choose an additional earned income reporting requirement that all households subject to change reporting must report:

Certified Change Reporting with Status Reporting - Households are required to report all changes in wage/salary rates and all changes in full-time or part-time employment status. Households cannot be certified for more than 6 months.

Certified Change Reporting with \$125 a month Earned Income - Households are required to report changes of \$125 a month in earned income from the amount last used to calculate their allotment. Household cannot be certified for more than 6 months.

- Monthly Reporting - Households are required to submit a report following each budget month that is used to determine benefits for the corresponding issuance month.
- Quarterly Reporting - Households are required to submit a periodic report once a quarter to report any changes.
- Simplified Reporting - Households are required to report changes which cause their ongoing gross income to exceed 130% of the Federal income poverty level (FPL) for the household's size at the time of certification or recertification. Simplified reporting households certified under CE/BBCE with income over 130% FPL may have different reporting requirements depending on State policies. Simplified reporting households certified for more than 6 months must submit a periodic report between 4 and 6 months, as specified by the State agency. Households in which all adult members are elderly or have a disability with no earned income and certified for more than 12 months must submit a periodic report once a year. This report must inquire about changes in certain household circumstances.

All SNAP households must report the following items, regardless of the reporting system to which they are assigned:

- Able-bodied adults without dependents (ABAWD) subject to the time limit

must report any changes in work hours that bring an individual below 20 hours per week, averaged monthly.

- Substantial Lottery and/or Gambling winnings.

Retrospective Budgeting - A budgeting system in which the computation of a household's SNAP benefits for the issuance month is based on actual income and deductions that occurred during the previous month or the month prior to the previous month, depending on State-selected options, with some exceptions. This budgeting system is only utilized for households certified under a Monthly Reporting and Retrospective Budgeting (MRRB) system.

- [One-month retrospective budgeting system](#) - The budget month begins a month before the first day of the issuance month.
- [Two-month retrospective budgeting system](#) - The budget month begins two months prior to the first day of the issuance month.

There are special provisions for:

- Annualizing income
- Prorating educational monies and most contract income
- Averaging some deductions

Retrospective Eligibility - An eligibility system in which the eligibility determination is based on income and other circumstances, which existed in the retrospective budget month. This eligibility system is only utilized for households certified under a MRRB system.

Review Date -

Active case - A day within the sample month, either the first day of the fiscal or calendar month, or the day a certification action was taken to authorize the issuance, whichever is later. Also known as "[AORD](#)."

Negative case - Is either the date of the agency's decision to deny, terminate or suspend program benefits; the date on which the decision is entered into the computer system; or the date of the notice to the household, depending on the characteristics of individual State Systems and their ability to sample by specific negative action. States must identify their sampling process in their State SNAP sampling plan.

Note: The review date is never the date the QC review is conducted.

Review Periods -

Sample Month - All cases (100%) selected in a sample month must be disposed of and the findings released to FNS within 115 days of the end of the sample month. [Refer to Section 190](#).

Annual Review Period - The QC review year coincides with a FFY, which begins October 1 and ends September 30 of the following calendar year.

End of the Annual Review Period - The end of the annual QC review period is 115 days after September 30, which is typically January 23. If January 23 falls on the weekend or the Federal government is closed that day, the annual review period for that year would officially end the next business day.

Sample Month - The month of the sample frame from which a case is selected. For active cases, sample month is synonymous with issuance month.

Substantial Lottery or Gambling Winnings - A cash prize won in a single game, before taxes or other amounts are withheld, equal to or greater than the SNAP resource limit for elderly or disabled households.

Third-Party Contractors - A third-party whom a State contracts with to perform certain functions such as training, manual writing, or business process redesign. If a State contracts with a third-party for SNAP purposes, please refer to [Section 154](#) of this Chapter for details regarding allowable and unallowable activities.

Underissuance - The amount of SNAP benefits the household was authorized to receive which was less than what they were eligible to receive.

Universe(s) - All units from which information is desired and a sampling frame can be constructed. There are two Universes for SNAP QC:

- **Active Universe** - consists of all households participating in SNAP except those listed in [Sections 331](#) through 338 and
- **Negative Universe** - consists of all actions to deny, terminate, or suspend benefits except those listed in [Section 1332](#).

Variance - The incorrect application of policy and/or a deviation between the information used and the information that should have been used to authorize the sample month's issuance.

Verification - Establishment of the accuracy of specific elements of eligibility and allotment by securing documentary evidence and/or by making collateral contacts with individuals, other than members of the household under review.

140 HANDBOOK MODIFICATION. Use of this handbook is required for both State and Federal QC reviewers. There are sections within the handbook that allow for modifications due to FNS-approved waivers and State options. The reviewer must document any cases reviewed under modified procedures with the certification waiver name and number, as found in the SNAP Waiver Information Management System (WIMS). Documentation, in the appropriate element(s) for the

modified procedure(s), must also include the waiver description or what it does and the period for which the applicable waiver was in effect, as it pertains to the case under review.

150 ADMINISTRATION OF THE QC SYSTEM. Each State is responsible for maintaining sound administration of all facets of the QC system. It is responsible for complying with the statute, regulations, this handbook, FNS policy memoranda, and the State agency's Plan of Operation.

151 Implementation of QC Indexed Policy Memoranda. FNS QC indexed policy memoranda must be implemented no later than the first sample month beginning 30 days after transmittal of the memoranda to the State agency.

152 Contracted Activity. A State agency may contract with another agency or office within the State to conduct QC activities only if it is regularly employed for this function (e.g., a State Inspector General's Office or a State Office of Audit). For those States in which QC is conducted by a contractual agency or office, all QC reviews must be completed following Federal regulations, approved waivers, State options, and this handbook.

153 Staffing Standards. In accordance with SNAP regulations, the State must employ sufficient QC staff to perform all aspects of the Performance Reporting System to ensure reviews are completed to meet reporting requirements, and to ensure the quality of the reviews.

154 Avoiding Bias. The QC review determines the accuracy of the eligibility and allotment for the sample month and is reflective of the State agency's determinations in the administration of each SNAP case. The reviewer must verify actual circumstances of the household in the sample month and evaluate the accuracy of the initial determination. Following applicable Federal regulations, FNS-approved waivers, and State options, the reviewer must independently arrive at a case finding without consideration of its impact on the payment error rate and case and procedural error rate.

When applying a FNS-approved waiver or State option, the same policy must be applied to all cases consistently within the State and not on an individual basis, regardless of whether or not the policy makes the case correct or incorrect. This ensures every household is treated equally. The reviewer must:

- fully document their findings,
- explain the basis for their findings in each individual element,
- show all computations and results,
- attach copies of verification to support their findings for both active and negative cases, and

- ensure all facts are evident in the QC review record.

Accomplishing the objectives of QC depends upon the successful operation of all facets of the QC subsystem. Specifically, it depends on:

- The integrity of the sample selected
- The training provided to reviewers on conducting reviews
- The skills with which the reviewers conduct reviews
- The accuracy and detail used by the reviewer to record their findings
- The completeness and accuracy of data analysis
- The correct use of appropriate corrective action planning
- The correct determination of liability for errors

The QC System must eliminate bias. Otherwise, the results will not be valid and will have little use in planning corrective actions.

154.1 Common Sources of Bias Include:

- Reviewing cases with the intent to mitigate or lower errors
- Inadequate sampling techniques (see FNS-311, The Quality Control Sampling Handbook)
- Lack of objectivity on the part of the reviewer or State management
- Inappropriate involvement by the local office
- Inconsistent application of the statute, regulations, FNS policy or QC procedures
- Failure to follow the statute, regulations, FNS policy, QC policy, QC handbooks, and QC memorandums
- Non-completion of cases
- Inconsistent or inappropriate use of second-party reviews
- Inappropriate use of error review committees or any process used in the same manner during the review process

154.2 Unacceptable Bias in the QC System.

Prior knowledge by the reviewer of cases scheduled for review, resulting in treating cases differently, whether intentionally or unintentionally, makes the sample results unrepresentative of the whole caseload.

- A reviewer with prior knowledge is defined as an individual who has had:
 - any participation in the decision made in the case;
 - any discussion of the case with staff who participated in the decision; or
 - any personal knowledge of, or acquaintance with, the household.

Note: Personal knowledge by a State staff member shall disqualify that worker from being able to be the case reviewer but the staff member may still be a

collateral contact. Any contacts for those purposes must adhere to all rules pertaining to information sought and shared with any other collateral contact, as found in [Section 431](#).

Other actions that introduce unacceptable bias in the QC system include:

- The State or local agency adding documentation to, removing documentation from, and/or altering documentation from the official record of a sampled case
- Approaching the review with the intention of proving the case correct or incorrect. The QC reviewer must pursue all evidence in the case to arrive at the actual circumstances of the household
- Failing to interview the household appropriately to determine all the household's relevant circumstances such as:
 - Failing to ask the household if there have been any changes in any elements of eligibility.
 - Not inquiring about household management of expenses when income is less than expenses and all expenses are currently being met.
 - Ignoring information from a collateral contact or household because it presents discrepant information that would have to be resolved.
- Not following all leads or questionable circumstances even when the verification and documentation requirements of the HB 310 have been met
- Structuring staff performance metrics to encourage under counting errors, specifically:
 - States must take precaution to ensure performance metrics do not introduce bias by encouraging or instructing the staff to find cases correct or mitigate errors,
 - States must not incentivize staff to find the eligibility worker was correct in the initial determination,
 - The State's error rate or number of payment error cases discovered by QC must not be a factor in the performance rating for reviewers.

154.3 Unacceptable Involvement of the State Agency or Local Office and Policy Officials. The following is not an all-inclusive list of unacceptable actions involving the State agency, local office, or State policy officials. Here are a few examples of activities that produce an unacceptable bias in the QC system:

- Prior knowledge by the State agency local office of cases scheduled for review. This includes notating cases sampled for QC review at the time of sampling as this may result in the agency's intentional or unintentional

- treatment of cases in a special manner that, in turn, makes the sample results unrepresentative of the whole caseload.
- The State or local agency adding documentation to, removing documentation from, and/or altering documentation from the official record of a sampled case.
 - Not completing cases that appear to contain a potential error when identified during the case record review or the field investigation.
 - An eligibility or certification worker contacting a QC sampled household or collateral contact:
 - to obtain additional information to clarify the household's circumstances,
 - get statements to alter the findings of the QC reviewer, or
 - coerce the household into saying or doing anything that might misrepresent the household's circumstances.
 - The State or local agency asking or coercing a household or collateral contact to engage in any activity (such as not participating in the QC sample month and the two consecutive months) for the purpose of gaining a desired case disposition or finding in a QC review.
 - Requesting information from collateral contacts or non-household members in such a way as to encourage the person to not cooperate or not provide the requested information.
 - Reducing the household's allotment for the sample month because of an apparent overpayment on a sampled case.
 - Local offices must not review the cases, make changes that would affect the eligibility or benefits for the case prior to and including the sample month, or contact the household or a collateral contact prior to the QC review being conducted to make any changes to the case once the sample is pulled/selected.
 - This does not apply to routine case management changes such as filing household reports, acting on reported changes, issuing notices of expiration, or conducting recertification interviews. Normal case management activities should not be initiated or undertaken at an accelerated pace to affect the cases under review.
 - Contacting the eligibility or certification worker responsible for administering the case selected for QC review. This also includes contacting any additional eligibility or certification staff who participated in the certification action under review.
 - Contacting the eligibility or certification office responsible for administering the case about any reports shared with QC prior to submitting completed cases to FNS.
 - Reviewing cases with the intent to mitigate or lower the error of a sampled QC case.

154.4 Acceptable Involvement of the State Agency Local Office.

There are only three situations where it is acceptable for the State or local agency office to have limited involvement with the case or household during the QC review.

1. Completing normal case management functions that will not impact the documentation pertaining to the review and review timeframes under examination.
2. Requesting assistance from a local office to locate or gain the cooperation of the household. In such situations, contact must be strictly limited to locating the household or gaining their cooperation with the QC reviewer and any documents produced or used to gain the cooperation of the household must be included in the case file.
3. Adding documentation to the case file that is the result of efforts by an eligibility or certification worker to gain the cooperation of a household after being appropriately requested by QC.

Note: Situations 2 and 3 above are the only times adding documentation to the case record about QC reviews is acceptable.

154.5 Acceptable Interaction with State Policy Staff. State QC staff may contact State policy staff for clarification about general SNAP policy; however, case specific information cannot be discussed, including, but not limited to, the case number, client's name(s), or details about variances in the case that would allow someone to identify the household under review. The State QC reviewer must not discuss their case findings with an eligibility worker, policy official, or a third-party in a manner that can be construed as attempting to mitigate an error case finding. This means the communication with such persons must be limited to a clarification of the policy involved in the case. The reviewer must not discuss how the policy clarification can alter the findings of the case nor indicate how the policy clarification can be used to resolve an apparent error in the case being reviewed. Any clarification obtained for a specific case that is used to substantiate or decide the case must be fully documented in the case file.

154.6 Unacceptable Second-Party Reviews. If a State elects to implement second-party review procedures, any substantive changes to the review must be represented in the QC review record. The following examples, which are not all inclusive, are activities that violate program rules and produce an unacceptable bias in the QC system:

- Applying second-party reviews only to error cases because subjecting only error cases to additional scrutiny introduces bias by treating them differently from cases not found in error
- Emphasizing the reduction of payment errors, rather than the accuracy of

the findings

- Modifying reviewer findings to offset an error or hide household circumstance from the QC case file
- Utilizing processes to verify household composition, income, deductions, or other information to offset or mitigate an error or drop a case as incomplete violates QC policy

154.7 Acceptable Error Review Committee Activities. The role of an error review committee is to review cases for the purpose of future corrective action planning. Future errors during the eligibility and benefit determination process may be prevented when the State agency uses this information through:

- Identifying error trends
- Utilizing training
- Implementing process improvements or technology to prevent future errors from occurring based on the root causes identified through the quality control process

Committees operate most effectively to provide a variety of perspectives on root causes of errors, when they include representatives from QC, policy, and technical staff responsible for eligibility systems.

154.8 Unacceptable Error Review Committee Activities. Any process, discussion, and/or activity designed with the intention of fixing or mitigating errors in cases currently under review to artificially adjust the State's error rate are not an appropriate use of the error review committee and is an unacceptable practice:

- This applies to whether or not formal committees are established.
- QC reviews may only be discussed for future corrective action planning after case results have been transmitted to FNS.
- QC reviews may not be examined to mitigate error findings prior to releasing case results to FNS.
- Conference calls or meetings with a contractor consultant to discuss individual sampled cases must be documented, including any action taken by the State within the case file. FNS reserves the right, upon request, to participate in any conference calls, meetings, and review emails between the State and any vendor in which individual sampled cases are analyzed.
- Failure to adhere to FNS policies and procedures related to error review committees or supervisory reviews introduces bias into the QC system and is unacceptable.

154.9 Third-Party Contractors. If a State elects to procure services of

a third-party contractor to help assess quality control processes, provide policy training, or manage any project that involves the interpretation of FNS regulations, policies, or handbooks; the State must ensure that all activities and deliverables performed by the third-party contractor adhere to Federal regulations and policy.

- Activities performed or deliverables provided by a third-party contractor that are not in accordance with Federal regulations or policies are unallowable SNAP administrative expenses and are not eligible for Federal reimbursement.
- If a State intends to hire or already has in place an existing contract with a third-party contractor to train quality control reviewers regarding SNAP regulations, policies, or handbooks to improve payment accuracy; FNS requires the following procedures:
 - The State must notify FNS in writing of its intent to hire a contractor at least 30 calendar days prior to entering into a contract,
 - The State must submit to FNS a copy of the contract and supporting documentation that outlines all tasks and deliverables to be performed by the contractor,
 - The State must submit to FNS a copy of all deliverables provided by the contractor,
 - The State must notify FNS of any training sessions led by the contractor, including the date, time, and location, at least 10 days in advance of the training. FNS reserves the right to attend any training session without prior notice,
 - If the State schedules conference calls or meetings with the contractor to discuss individual sampled cases, the State must document the discussion and any action taken by the State within the case file. FNS reserves the right, upon request, to participate in any conference calls, meetings, or emails between the State and the contractor where individual sampled cases are analyzed.

160 QC UNIVERSE. (Refer to FNS Handbook 311.) Statistical samples of SNAP cases are selected for QC review.

There are two universes from which the cases are selected:

- Active Case Universe, and
- Negative Case Action Universe.

Unless FNS determines they may be excluded, the following must be included in the selection and review process:

- Households correctly classified for participation under the rules of an FNS-authorized demonstration project, and

- Households participating based on SNAP applications processed by the Social Security Administration.

Note: Households may be selected more than once during the review period.

170 ERROR ANALYSIS. (Refer to [Chapters 6](#) and [12](#).) Using QC review procedures in this handbook and based on verified information, the reviewer must determine if each completed active case was eligible and whether it received the correct amount of benefits. A household may be over issued or under issued benefits.

Through a review of negative case actions, the reviewer must determine whether the State agency's decision and procedures to deny, to suspend, or to terminate the household's benefits, was correct as of the sampled action date.

180 FORMS AND REPORTING. Refer to [Chapter 12](#) and refer to links in [Appendices B, C, and D Placeholders](#) for the approved OMB forms.

181 Active Cases. For each active case sampled, the State agency must complete Form FNS-380, Worksheet for SNAPs Quality Control Reviews, and a Form FNS-380-1, Review Schedule. ([See Chapter 3 for cases not subject to review.](#)) Submission of the FNS-380, FNS-380-1, and all supporting documentation must be included in case transmission to FNS.

181.1 Form FNS-380. ([See Section 323](#) and refer to link in [Appendix B Placeholder](#) for the approved OMB form). The reviewer must use a Form FNS-380 to:

- Record information from the case record,
- Plan and conduct the field investigation,
- Document verification of each element,
- Record findings, and
- Document how their determination substantiates the eligibility determination and benefit level, or results in a variance.

States have the option of using the Federal form (paper or automated) or an FNS Regional Office approved State-designed form.

Form FNS-380 is a worksheet that consists of a face sheet, an element review analysis, and a computation sheet to determine the correct benefit level.

It will be necessary to supplement Form FNS-380 with additional forms to support documentation on the FNS-380 and verification of the review.

Examples include State forms for appointments, interoffice communications,

release of information, etc.

181.2 Form FNS-380-1. Form FNS-380-1 is completed for all active cases. Information from Form FNS-380 is used to complete Form FNS-380-1. Data from Form FNS-380-1 is released to the SNAP Quality Control System (SNAP-QCS). [See Chapter 12](#) and the refer to the link in [Appendix C Placeholder](#).

Non-excluded variances that directly contribute to the error determination (i.e., ineligibility or an overissuance or underissuance) must be coded and reported in Section 2 of Form FNS-380-1. The reviewer must list all such variances (primary first) by element and indicate the cause of the variance. A State has the option to require other variances be reported in Section 7.

The State agency may request technical changes to the form's data for FNS consideration after the review results are reported to FNS. Cases originally coded incomplete or not subject to review can be completed at any time until the end of the reporting period when a request is made by a State through the FNS regional office. Supporting verification must be provided to the region at the time of the request.

182 Negative Cases. (See [Chapter 13](#) and [link in Appendix D Placeholder](#) for the approved OMB form) For each negative case in the sample, the State agency must complete a Form FNS-245. Data from Form FNS-245 is released to SNAP-QCS. Submission of the FNS-245 and all supporting documentation must be included in case transmission to FNS.

190 DISPOSITION TIMEFRAMES. Each case selected in the samples of active and negative cases must be accounted for by classifying it as:

- Completed,
- Incomplete, or
- Not Subject to Review.

Within 115 days of the end of the sample month all cases (100%) selected in a sample month must be disposed of and the findings reported to SNAP-QCS.

Note: A State agency is required to dispose of each review no later than 115 days after the end of the sample month. For every day that disposition is late, the State agency loses a day to request arbitration. [See Section 1423](#).

By 115 days after the end of the annual review period all cases, must be disposed of and the findings reported to SNAP-QCS. This includes cases where a household refused to cooperate.

A case must not be reported as incomplete solely because the State agency was unable to process it in accordance with these reporting requirements.

- The State agency must submit a report to FNS that includes:
 - An explanation of why the case has not been disposed of,
 - Documentation describing the progress of the review to date, and
 - The date by which it will be completed.
- FNS makes the determination whether the case is considered overdue based on the report.

Chapter 2

BASIC REVIEW PROCESS

200 GENERAL. This chapter outlines procedures for conducting reviews of active cases. It also provides information on certification systems, household reporting requirements and the focus of QC reviews.

210 REVIEW PROCESS. Below are general steps to be followed in the review process for all active cases.

211 Determine the Correct Systems. (Refer to [Section 220](#).) For the sample month, the reviewer must examine State policies and the certification record to determine whether the household should have been:

- Subject to prospective or retrospective eligibility;
- Subject to prospective or retrospective budgeting; and
- Subject to the correct reporting system. (Refer to [Section 223 and Section 700](#).)

212 Review the Certification Record. (Refer to [Chapter 3](#).) The reviewer must review the certification record to determine what action was taken on the case by the agency.

213 Conduct a Field Investigation. (Refer to [Chapters 4 and 5](#).) During the field investigation, the reviewer must interview the household or, when appropriate, the authorized representative and obtain verification from collateral contacts.

214 Determine Which Variances to Include. (Refer to [Chapters 6-11](#).) If a difference exists between the information used by the agency and the verified information obtained by the reviewer for eligibility or allotment purposes, the reviewer must determine if the variance is included or excluded for QC purposes.

214.1 Comparison I. There are two applicable QC error threshold comparisons (See [Chapter 6](#)):

- The QC verified allotment for sample month is compared to the authorized allotment (Comparison I).

- The QC verified corrected eligibility budget (including any required corrections) is compared to the authorized allotment (Comparison II).

If the allotment difference is less than or equal to the QC error threshold amount, any variance(s) must be included. Error amounts less than or equal to the QC error amount are excluded from the State's official error rate determination (Refer to the link in [Appendix A Placeholder](#)).

214.2 Comparison II. Variances resulting from the use of incorrect information at the time of certification or recertification must be included. This applies to all elements. It applies to each income source and to total income.

Some variances, those due to reporting requirements or processing time considerations, are excluded. Variances that result from a change in circumstances that should have been effective as of the review date (AORD) must be included ([See Chapter 7](#)).

215 Determine the Correct Amount of Benefits. The reviewer must use verified information to determine if the household was eligible and to calculate the correct benefit amount for the sample month or to calculate a corrected EW budgeted allotment if the sample month allotment variance exceeds the current fiscal year error threshold. ([See Chapter 6](#).)

216 Determine the Cause of Errors. If the case was ineligible or received an overissuance or underissuance of benefits, the reviewer must identify the variance(s) that caused the error and determine if it was caused by the household or the State agency.

217 Validation and Reporting of QC Findings. (Refer to [Chapter 12](#) and see the links in [Appendices B](#) and [C Placeholders](#).) The reviewer must complete:

- The QC worksheet (Form FNS-380) to record verification of all elements for active reviews, including the worksheet computation sheets, and
- The review schedule (From FNS-380-1) for coding active case review information.

220 CERTIFICATION AND REPORTING SYSTEMS. The reviewer must determine which eligibility, budgeting, and reporting systems should have been used for each household based on the State agency's selection of regulatory options and individual household circumstances.

221 Eligibility. Each household's eligibility for participation in SNAP is based upon its financial and certain nonfinancial circumstances for each month of participation. There are two ways of looking at a household's circumstances:

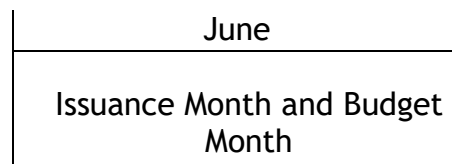
- **Prospectively.** Determining a household's eligibility prospectively requires the agency to anticipate the household's circumstances for each month of participation, based upon existing circumstances that are expected to remain the same, and changes in existing circumstances that are reasonably certain to occur; or
- **Retrospectively.** Determining a household's eligibility retrospectively requires the agency to use known circumstances from a previous month. A State may have a one-month or a two-month retrospective system.

In either a prospective or a retrospective system, a household determined eligible for participation is authorized to receive an allotment for a specific month called the issuance month or for a series of months referred to as the certification period.

222 Budgeting. The amount of SNAP benefits a household is entitled to receive during an issuance month may also be determined (or budgeted) prospectively or retrospectively. This system may be the same as or different from the eligibility system.

222.1 Prospective. Prospective budgeting requires the agency to anticipate what a household's circumstances will be during the issuance month based upon existing circumstances and expected changes. As illustrated below, the budget month is the issuance month.

Prospective System



222.2 Retrospective. Retrospective budgeting requires the agency to use circumstances from a prior month to determine the benefits a household should receive for the issuance month. As illustrated below, the budget month may be the month that is two months prior to the issuance month or the month preceding the issuance month.

Two-Month Retrospective System

April	May	June
Budget Month	Processing Month	Issuance Month

One-Month Retrospective System

May	June
Budget Month	Issuance Month

223 Reporting Systems. Households are required to report changes to the State agency after the certification action to ensure eligibility and allotment level remain accurate. A household may be subject to:

- Change reporting,
 - \$125 Change reporting
 - Status reporting
- Monthly reporting,
- Quarterly reporting,
- Simplified reporting,
- Transitional benefits, or
- Reporting in accordance with an approved waiver or demonstration project.

Note: All SNAP households must report the following items, regardless of the reporting system to which they are assigned:

- Able-bodied adults without dependents (ABAWD) subject to the time limit must report any changes in work hours that bring an individual below 20 hours per week, averaged monthly.
- Substantial Lottery and/or Gambling winnings.

Note: The QC reviewer must ensure changes to a household's corresponding PA/GA program are handled appropriately for the SNAP case. (See [Section 720](#) for details.)

Note (unclear information): If the State agency received unclear information about household circumstances during the certification period, it must evaluate and act on it, as appropriate, per certification policy requirements. Unclear information is information about household circumstances with which the State agency cannot readily determine the effect on the household's continued SNAP eligibility or benefit amount. This includes information that is verified, unverified, from the household, or from a third-party data match. If the State receives information that is verified and the effect on the household can be readily determined, then it is not considered unclear information and the State must act on it.

For all households, regardless of the reporting system to which the household is assigned, the State must act to follow up on unclear information by sending a Request for Contact if the information:

- 1) significantly conflicts with the information used to certify the household (meaning the information used to certify was incorrect); or
- 2) is something the household was required to report based on its assigned reporting system and is less than 60 days old based on the current month of participation.

The State must act to follow up on unclear information by sending a Notice of Match Results:

- 3) if the information is from a deceased or prisoner matching system (described by certification policy rules).

If the information does not meet this criteria, it should be held until the next scheduled contact. Information in which the State agency did not act upon that was allowed to be held until the next required household contact (periodic report or recertification, whichever came first) cannot result in an included variance in the QC error determination ([See Chapter 7](#)).

223.1 Change Reporting/Prospectively Budgeted (Certified Change Reporting with the \$125 Change in Earned Income Reporting Option). Households subject to change reporting requirements are required to report changes in circumstances, within 10 days of the date the change becomes known to the household, or at the State agency's option within 10 days of the end of the month in which the change occurred. Reportable changes in income must be reported within 10 days of the date the household receives the first payment attributable to the change. Reportable changes include:

- Change in the sources of income, if the change in employment is

- accompanied by a change in the amount of income;
- Change of more than \$125 in unearned income, except a change in a public assistance grant (or general assistance grant if the grant and SNAP allotment were jointly processed);
- Change in the amount of earned income of more than \$125 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 that is not fully excludable;
- When liquid resources reach or exceed the resource limit; and
- Changes in the legal obligation to pay child support. However, the State Agency may remove this requirement if it has chosen to use information provided by the State's Child Support Enforcement (CSE) agency in determining:
 - A household's legal obligation to pay child support
 - The amount of its obligation
 - Amounts actually paid

223.2 Change Reporting/Prospectively Budgeted (Certified Change Reporting with the Status Reporting Option).

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, State agencies may opt to require households 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, or by the 10th of the month following, if the State has an approved waiver.

Reportable changes include:

- 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);
- Change of more than \$125 in unearned income, except a change in a public assistance grant (or general assistance grant if the grant and SNAP allotment were jointly processed);
- 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. However, the State agency may remove this requirement if it has chosen to use information provided by the State's CSE agency in determining:
 - A household's legal obligation to pay child support
 - The amount of its obligation, and
 - Amounts actually paid

223.3 Monthly Reporting. Households subject to monthly reporting requirements must submit complete reports monthly. These households are not required to submit changes outside the monthly report. However, they may voluntarily report changes.

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 the eligibility factors on the quarterly report form, or
- Some of the eligibility factors on the quarterly report form (other changes are reported using a change report form).

Options may vary from state to state. The QC reviewer must review in accordance with the option chosen by the State agency.

223.5 Simplified Reporting. Households subject to simplified reporting are required to report changes that cause the household's gross monthly income to exceed 130% of the poverty income guideline for the household size at the time of certification. State agencies have the option to allow households to either report changes within 10 days of the date the change became known to the household or 10 days of the end of the month in which the change occurred. In other words, States can choose for households to report either 10 days before the end of the month or 10 days after the end of the month.

Whichever option the State chose, it must have been applied consistently for all cases.

223.6 Transitional Benefits. Households certified for transitional benefits are not subject to reporting requirements during the transitional months. The State agency may adjust transitional benefits in the following circumstances:

- Information is reported from another State or Federal means-tested program in which the household participates, or

- Automatic annual changes in SNAP benefits rules, such as annual cost of living adjustments, and
- The State agency has opted to act on these changes.

230 QC REVIEW FOCUS. Certification actions and the authorized allotment are reviewed at a specific point in time. In QC, this is generally called “as of review date” (AORD).

231 Certification Errors. The QC review of any active case is based upon an examination of the benefits authorized for the household for the sample month.

The QC system disregards errors made during the issuance process. States have direct liability for issuance errors. Therefore, it is not the benefit amount that is actually issued which is subject to QC review, but rather the benefit amount authorized through the certification process.

Determining eligibility and calculating the benefit amount are certification functions. The QC reviewer must review the case based upon the information stored in the system.

In reviewing the authorized allotment, the reviewer must examine the actions of the EW, including any documentation supporting the amount of benefits authorized.

232 Allotment Amount. The full amount of the issuance month's benefits including those supplements for the sample month (See [Section 233](#)) must be reviewed and reported as the allotment in Section D of the face sheet on Form FNS-380 (See link in [Appendix B Placeholder](#)).

232.1 Causes for Amount Authorized and Issuance Amount to Differ. The following are examples of when the amount authorized will differ from the amount issued, and how QC reviews each scenario. The reviewer must always document these situations and explain the reason for their determination of the amount under QC review.

- Recoupments to recover prior SNAP overpayments

Example of a recoupment: If \$10 was recouped from a \$100 authorized allotment and a \$90 allotment was issued, review the \$100 amount.

- Benefits voluntarily returned by the household when there was no claim

Example of voluntarily returned benefits: If a household was authorized a \$100 allotment and it returned \$50 in benefits, review the \$100 amount.

- Claim collections for prior months or the issuance month

Example of a collection of a prior claim: If a household was authorized a \$100 allotment and it repaid \$25 on a claim, review the \$100 amount.

- Restored benefits

Example of a restored benefit: If an allotment was authorized for \$150 which included a \$100 allotment for the sample month plus \$50 to correct an error four months ago, review the \$100 amount.

- Retroactive benefits for prior months

Example of a retroactive benefit: If an allotment was authorized for \$150 which included a \$100 allotment for the sample month and a \$50 allotment for the month of application, review the \$100 amount.

- Actions taken subsequent to the sample month

Example of a subsequent action: If a \$100 allotment was authorized in the sample month and \$20 in restored benefits were authorized in the following month, review the \$100 allotment.

- Supplement issued after QC sampling

Example of a supplement not included: If a \$100 allotment was authorized for the sample month and a \$20 supplement was subsequently authorized within the sample month but after the case was selected for QC review, review the \$100 allotment.

232.2 Non-Compliance with Other Means-Tested Programs. The QC reviewer must review the full amount of the benefits authorized for the sample month making any necessary adjustments.

The benefits of a household receiving public assistance may be reduced under a means-tested public assistance program for failure to perform a required action or for fraud. The State agency must not increase the household's SNAP allotment as the result of the decrease in income from the means-tested public assistance program.

In addition to prohibiting an increase in SNAP benefits, the State agency has the option to impose a penalty on the household's SNAP allotment. The reduction must represent a percentage of the SNAP allotment that does not exceed 25 percent.

- If the State applied an optional percentage reduction, the allotment would have the percentage reduction already deducted.

If no penalty was applied, the allotment would not have the penalty deducted. The following examples are the three possible situations that can occur for State agencies that have chosen to apply a reduced SNAP allotment penalty when an individual has failed to take a required action in another means-tested public assistance program.

- The State agency applied the penalty. Review the allotment authorized, in which the penalty has been applied.
- The State agency knew of the household's failure to take a required action in the other means-tested program and did not apply the penalty but should have applied the penalty. Review the allotment authorized. In determining the error amount in this case, apply the penalty that the EW should have deducted.

Example of an applied penalty: The household was originally eligible to receive \$120 but was authorized \$100 after the penalty was deducted. It is the \$100 allotment that is subject to QC review.

Example of a penalty that should have been applied but was not: The household was authorized \$120. A \$20 penalty should have been applied. The allotment subject to review is \$120. In the process of determining the error amount, deduct the \$20 penalty as the last step in Column 2 of the computation sheet. This will result in a variance including the penalty amount that should have been used by the EW. Compare the \$100 in Column 2 to the \$120 in Column 1. The result is a \$20 overissuance. If QC is required to proceed beyond Comp I, the \$20 penalty must be deducted in the final error determination as well.

- The State agency did not know of the household’s failure to take a required action in another means-tested program so the State agency did not apply a penalty. Review the

Example of a penalty that was not applied and did not have to be: The household was authorized \$120. Use the \$120 as the allotment under review. Do not apply the penalty in establishing the error amount for this case.

allotment authorized. Since the agency was not aware of the failure to take a required action in the other program there was no way to apply the penalty. For this situation, do not apply the penalty in the error determination process. Do not deduct the penalty as the last step in Column 2, or in the final error determination.

233 Review Date. The review date is never the date the QC review is conducted. The allotment authorized as of the review date (AORD) must be the benefits subject to review.

The review date for active cases means a day within the sample month, either the first day of the sample month or the day a certification action was taken to authorize the sample month’s allotment, whichever is later.

Certification actions include:

- Initial certifications or recertifications completed during the sample month.
- Changes in the allotment that the State agency authorized before the day on which the case was sampled.
- Changes in the allotment that the State agency authorized on or after the day on which the case was sampled, providing the State agency processed the change(s) in a timely

Example of a change in the allotment before sampling: On September 30, the State agency changed the household's October allotment, from \$105 to \$138. Quality control sampled the household on October 1 for the October sample month. Quality control will review the \$138 allotment, because the State agency changed the allotment before the day of sampling.

Example of a change after sampling but processed timely: A monthly reporting household had a baby born on September 22. The household reported the birth on September 25. On September 28, quality control sampled the household for October. On September 29, the State agency changed the household's October allotment, from \$199 to \$269. Quality control will review the \$269 allotment because the State agency processed the change in a timely manner as mandated by certification requirements.

manner, in accordance with certification requirements, and the change(s) was reported by the household before the day on which the case was sampled.

Another example of a change after sampling, but processed untimely:

On March 3, a household member left a change reporting household. On March 20 the household reported the member's departure. The State agency did not act on the reported change. On August 3 quality control sampled the household for August. On August 5 the State agency changed the household's August allotment, reducing it from \$470 to \$414. Quality control will review the \$470 allotment, because the State agency changed the allotment after the sampling date and did not process the change in a timely manner in accordance with certification requirements.

- Supplements that the State agency authorized before the day on which the case was sampled. Such a supplement is part of the allotment that is subject to review.

Example of a supplement authorized before sampling:

A household applied in January and reported semi-monthly income of \$350 (\$700 monthly). The State agency certified the household but treated the income as biweekly (\$752.50 monthly). On April 20, the State agency discovered its mistake at a recertification interview, and on the same day authorized restored benefits for the previous months and a \$15 supplement for April. Quality control sampled the household on May 2 for April. Quality control will include the \$15 supplement because the State agency authorized it before sampling.

Another example of a supplement authorized before sampling: A household was subject to change reporting and prospective budgeting. The sample month was August, and the household received its regular allotment on August 2. On August 3, the State agency discovered they failed to give the household an earned income deduction, so they authorized a \$28 supplement. On August 6, quality control sampled the household. The reviewer must include the \$28 supplement because the State agency authorized the supplement before the sampling date.

Supplements the State agency authorized on or after the day on which the case was sampled if the State agency processed a change in a timely manner, in accordance with certification requirements, that was reported by the household before the day on which the case was sampled.

If a State agency authorized a supplement on or after the day on which the case was sampled and did not process a reported change in a timely manner as dictated by certification requirements, the supplement is not part of the allotment that is subject to review.

Example of a reported new member of the household: A household was subject to change reporting and prospective budgeting. The sample month was April. On February 25, the household reported the birth of a child.

The State agency took no action on the reported change. The household received its April allotment on April 1. Quality control sampled the household on April 4. On April 7, the State agency discovered its mistake and authorized a \$78 supplement to compensate for the improperly treated household member. The reviewer must not include the \$78; however the reviewer must include the new member because the local office did not process the reported change in a timely manner as mandated by certification requirements.

- If a State agency pulls its QC sample prior to the sample month and a household reports a new member on or after the sample date, but prior to the first day of the sample month, QC must:

- Examine the addition of the new household member to determine if it was properly handled.

Example of a reported new member of the household: A household was subject to monthly reporting and retrospective budgeting in a two-month system. The sample month was June. On May 30, quality control selected the June sample. On May 31, the household reported the birth of a baby and on June 10 the State agency authorized a supplement of \$89. The \$89 supplement would not be included and the new member would not be included in the error determination process because the household reported the change after the date the case was sampled.

- Not include the supplemental allotment (or change in regular allotment) itself in the allotment subject to review.

Note: See [Section 722.4](#) for direction on determining variances relative to adding new members.

Chapter 3

CASE RECORD REVIEW

300 GENERAL. This chapter provides guidance on conducting a review of the household's case record, including documentation of verification contained in the case record. It also identifies cases that are not subject to review.

310 PURPOSE OF CASE RECORD REVIEWS. The purpose of active case reviews is to:

- Identify the status of each element of eligibility and benefit calculation as documented by the agency,
- Determine the amount of the allotment authorized for the sample month's issuance, and
- Identify any variances resulting from misapplication of policy by the agency.

320 PROCEDURES FOR CASE RECORD REVIEWS. Case record reviews consist of:

- Reviewing and analyzing the household's certification record,
- Reviewing verification and documentation, and
- Recording the findings on Form FNS-380.

QC must include all case record documents that impact the sample month benefits in the QC review record. This includes, but is not limited to:

- The application for certification or recertification;
- Documentation from the most recent application/reapplication and any interim changes;
- All case forms, and household notices;
- All mandatory data matches run by eligibility;
- All verification documents obtained from the client and all collaterals;
- Comments/narratives;
- Reports;
- Screen shots for eligibility, issuance and participation; and
- Imaged documents.

321 Household Issuance Record. The reviewer must review the household's issuance record(s) and determine if the household participated in the sample month to rule out cases that are not subject to review.

The reviewer must compare information on household size, the certification period, and the allotment indicated in the issuance records to that in the certification file and must report any differences to the agency for corrective action on an individual basis.

[EBT systems](#) contain the account memory, which is held in a central databank, while [EBT cards](#), which access EBT systems, contains the benefit information in the card's smartchip and must be updated each month.

The household is not considered to have participated in the sample month if benefits have not been posted to the EBT system or the household has not initiated activity that affects the balance of the household's SNAP EBT account, such as a purchase or return, in a three-month period, which includes the sample month. The three months (91 days) may be any combination of months that must include the full sample month, so long as they run consecutive for 91 or more days. Under these conditions, the review process stops because the case is not subject to review (NSTR). This must be documented in the QC review narrative summary.

Note: When a household was not issued an EBT card AORD, reviewers must follow the procedures in this section to determine whether the allotment is subject to review for non-participation. For all cases when a household has not received an EBT card the reviewer must determine the household's opportunity to participate. An applicant certified for SNAP must receive an active EBT card, EBT PIN, and have their benefits posted to their EBT card for use by the 30th day or 7th day for applicants that meet expedited service criteria. Reviewers that encounter this situation must, after transmission to FNS, notify the local office of the EBT card issue as failing to provide an EBT card raises concerns regarding program access.

The following are examples of non-participation for no EBT usage (transactions) prior to, including, and after the sample month:

Example 1: No EBT usage prior to and including the Sample Month**Sample Month: July**

Benefit Month	Issuance Date	Posted Issuance Amount	Transaction Debit Date	Transaction Debit Amount	Balance
March	March 6	\$100	—	—	\$100
April	April 6	\$100	—	—	\$200
May	May 6	\$100	—	—	\$300
June	June 6	\$100	—	—	\$400
July	July 6	\$100	—	—	\$500
August	August 6	\$100	—	—	\$600

In this example, there was a 91-day timeframe of non-participation prior to and including the July sample month. Therefore, this case must be dropped as NSTR for non-participation once the sample month has ended. This determination of NSTR may take place during the case record review.

Example 2: No EBT usage in 91-day timeframe which includes the Sample Month**Sample Month: July**

Benefit Month	Issuance Date	Posted Issuance Amount	Transaction Debit Date	Transaction Debit Amount	Balance
April	April 6	\$100	—	—	\$100
			April 10	\$85.17	\$14.83
May	May 6	\$100	—	—	\$114.83
			May 12	\$92.83	\$22
June	June 6	\$100	—	—	\$122
July	July 6	\$100	—	—	\$222
August	August 6	\$100	—	—	\$322
September	September 6	\$100	—	—	\$422

In this example, there is a 91-day timeframe of non-participation that includes the sample month of July, because the last debit transaction occurred on May 12. This case must be dropped as NSTR after the 91st day of non-participation.

In this example, if QC has begun the review in July or August, the reviewer may not know if the household will participate within a 91-day timeframe and should begin taking steps to complete the review. This case must be dropped as NSTR instead of incomplete after the non-participation timeframe, even if the household fails or refuses to comply with the review process.

Example 3: No EBT usage when the 91-day timeframe begins with the Sample Month

Sample Month: July

Benefit Month	Issuance Date	Posted Issuance Amount	Transaction Debit Date	Transaction Debit Amount	Balance
April	April 6	\$100	—	—	\$100
			April 10	\$85.17	\$14.83
May	May 6	\$100	—	—	\$114.83
			May 12	\$92.83	\$22
June	June 6	\$100	—	—	\$122
			June 30	\$97.89	\$24.11
July	July 6	\$100	—	—	\$124.11
August	August 6	\$100	—	—	\$224.11
September	September 6	\$100	—	—	\$324.11
October	October 6	\$100	—	—	\$424.11

In this example, there is no EBT usage in the sample month. There is a 91-day timeframe of non-participation including the sample month of July because the last debit transaction occurred on June 30. This case must be dropped as NSTR after the 91st day of non-participation following June 30.

In this example, if QC has begun the review in July or August, the reviewer may not know if the household will participate within a 91-day timeframe and should begin taking steps to complete the review. This case must be dropped as NSTR instead of incomplete after the non-participation timeframe, even if the household fails or refuses to comply with the review process.

Example 4: No EBT usage in 91-day timeframe which includes the Sample Month and case terminated August 31 (after Sample Month)

Sample Month: July

Benefit Month	Issuance Date	Posted Issuance Amount	Transaction Debit Date	Transaction Debit Amount	Balance
April	April 6	\$100	—	—	\$100
			April 10	\$85.17	\$14.83
May	May 6	\$100	—	—	\$114.83
			May 12	\$92.83	\$22
June	June 6	\$100	—	—	\$122
			June 25	\$97.89	\$24.11
July	July 6	\$100	—	—	\$124.11
August	August 6	\$100	—	—	\$224.11
September	September 6		—	—	\$224.11
October	October 6		—	—	\$224.11

In this example, there is no EBT usage in the sample month. There is a 91-day timeframe of non-participation including the sample month of July because the last debit transaction occurred on June 25 and was terminated August 31. This case must be dropped as NSTR after the 91st day of non-participation following June 25.

In this example, if QC has begun the review in July or August, the reviewer may not know if the household will participate within a 91-day timeframe and should begin taking steps to complete the review. This case must be dropped as NSTR instead of incomplete after the non-participation timeframe, even if the household fails or refuses to comply with the review process.

322 Certification Case Record. The reviewer must review the SNAP certification case record(s) and, as applicable, the Public Assistance (PA) case record(s). This includes, but is not limited to:

- Applicable initial and recertification applications;
- Household circumstances;
- Reported changes;
- Certification actions;
- Case notes/narratives;
- Verification and documentation; and
- All applicable notices and communications to the household.

QC may also review general assistance, Medicaid, and other available records if applicable.

If the reviewer is unable to locate any pertinent records, the reviewer must attempt to extrapolate the needed information from the certification record and record the findings accordingly on Form FNS-380. The FNS-Form 380 must be documented in sufficient detail and must provide enough information to clearly establish the information and how the information was determined.

322.1 Household Circumstances and Certification Actions. The reviewer must review all information applicable to the case as of the review date (AORD), including, but not limited to:

- The most recent application;
- The most recent recertification application;
- The most recent periodic report;
- Interim changes;
- The household issuance record;
- Case notes and narratives;
- Case documents and verifications;
- All applicable notices and communications to the household;
- The eligibility worksheet; and
- Any documented changes.

The reviewer must become familiar with the household's situation, identify the specific facts related to eligibility and the benefit amount, and document any deficiencies and misapplication of policy.

322.2 Documented Verification. The case record may contain documents or statements acceptable as verification for the review. In order for the reviewer to use the verifications in the case record, the verifications and documentation of verifications used by the eligibility worker must be:

- Accurate,
- Not subject to changes,
- Cover the appropriate time period, and
- Not questionable.

Example: The eligibility case record contains a birth certificate of a 20-year-old daughter living in the household. The birth certificate is considered accurate verification as an official public record, is not subject to change, and establishes facts that may be used for any time period. The birth certificate can be used by the Quality Control Reviewer (QCR) to establish the daughter must be included in the SNAP household as she is under age 22.

Verification standards are outlined in [Chapter 5](#) of this handbook. Case record

verifications meeting those standards may be used in the applicable elements of the QC review. The QCR must fully document any verifications used in the appropriate element(s) of the FNS-380, meeting the requirements of [Chapter 5](#) of this handbook for documentation. The QCR is not required to reverify this information during the field investigation but, again, must document the verifications used and relevant information needed as it applies to the case and applicable elements on Form FNS-380.

323 Completion of Form FNS-380. ([See link in Appendix B Placeholder.](#)) During the case record review, the reviewer must complete Form FNS-380 Column 2, Case Record Analysis. The information must be recorded in sufficient detail to enable another person to determine the facts of the case by reviewing Form FNS-380.

Documentation of Form FNS-380 must include all information that is utilized in the determination of the QC review. This may require documenting variances that will later be excluded due to, for instance, reporting requirements or State options, and documenting verifications that will be used for the review.

323.1 Face Sheet. This is page one of the Worksheet for SNAP’s Quality Control reviews, which the reviewer must complete as detailed in the following four sections:

- Section A - Provide identifying information in items 1 through 14 from information in the case record;
- Section B - List persons living in the home identified in the case record;
- Section C - List significant persons not living in the home associated with the household and identified during the certification of the household;
- Section D - Complete review findings at the conclusion of the review.

Note: Additional information may be added during the course of the review in Sections A through C before completing Section D.

323.2 Column 1 of the Worksheet - Elements of Eligibility and Basis of Issuance. A 3-digit code is used to identify each element. For reporting purposes, elements are listed in Column 1 of Form FNS-380. Elements on the worksheet are grouped together under four main groupings called program areas.

<u>Program Area</u>	<u>Element Codes</u>
Basic Program Requirements	100s
Resources	200s
Income	300s
Other	500s and above

323.3 Column 2 - Analysis of Case Record Information. The purpose of Column 2, Case Record Information, of Form FNS-380 is to:

- Provide the reviewer a consolidated location to record information contained in the case record, and
- Assist the reviewer in planning the field investigation.

The reviewer must record case information relevant to the most recent certification action and changes acted on as of review date and must use all information applicable to the case AORD, including the application and eligibility worksheet in effect AORD. It is important for the reviewer to:

- Note any pertinent items or questions as well as any discrepant information.
- Be aware of recorded factors which are subject to change.
- Note the reliability of sources used.
- Note any missing information.

Reviewers also use Column 2, Case Record information, to plan the field investigation to:

- Gain an understanding of the household situation, and
- Selectively highlight points to be considered and addressed in the field investigation.

The information recorded in Column 2 must include the following:

- **Application Information.** The reviewer must record information provided by the household on the application by element. For elements that were left blank on the application but were required for an eligibility

Examples of recording information from the application:

Element 150 Household Composition: Application lists three - Jean Jones and her two children (Cheryl and Tom).

Element 221 Real Property: Application shows none.

or allotment amount determination, the reviewer must document how the element was determined or, alternatively, that it could not be established how the eligibility worker (EW) arrived at the original determination.

- **Worksheet Information.** The reviewer must record the information contained on the certification worksheet/case notes and any worksheet information regarding incomplete actions for changes prepared by the EW. This would include documenting information that is incorrect or incomplete if that information was used, or appears to have been used, in the eligibility or benefit determination. This includes documenting any missing information as well or documenting if the reviewer could not determine how information was established by the EW.

Examples of recording information from the worksheet:
 Element 344 PA: Application shows no PA. Worksheet shows PA payments of \$400 a month.

Element 363 Shelter: Application and worksheet show monthly mortgage payments of \$400.

Element 364 Standard Utility Allowance: Application shows monthly expenses of \$10.50 electric, \$25 gas and \$12 phone. Worksheet shows household was entitled to \$150 SUA.
- **Verification.** The reviewer must record verification documented in the case file and attach copies of documentary evidence. Documentation must include the date verification was received and the time period for which the verification covers. If there is missing verification from the certification record it must be documented accordingly on Form FNS-380.
- **Other Information.** The reviewer must record all other information from the case record relevant to the case AORD. This includes case history information that impacts the household's circumstances and changes that were reported or otherwise became known to the State agency.
- **Misapplication of Policy.** The reviewer must record any misapplications of policy such as:
 - Failure to use the correct income;
 - Incorrect conversion factor;
 - Allowing an earned income deduction for unearned income;
 - Allowing a medical deduction for members who are not elderly or disabled; and
 - Mathematical and transposition mistakes.

323.4 Computation Sheet. Complete Column 1, Eligibility Worker Information, by recording the income and deduction figures the EW used to compute the allotment for the sample month.

324 Ineligible Households. If AORD the reviewer determines and verifies the household's ineligibility based on information obtained from the household, the review can be terminated at that point. If AORD the household appears ineligible based on information from another source, the correctness of the information must be verified and in effect AORD. As part of determining whether the household is ineligible AORD, the reviewer must consider whether the information used to establish ineligibility was required to be considered AORD, including whether the household was required to report the information and whether the State was required to act on the information AORD. Once ineligibility has been verified AORD, the review can be terminated at that point. If the information is conflicting, the reviewer must:

- Resolve the difference to determine which information is correct.
- Re-contact the household and discuss the difference unless the household cannot be reached or refuses to cooperate.

When resolving unclear, questionable, or conflicting information, the reviewer must use their best judgment based on the most reliable data available and must document how the differences were resolved. Likely conclusion cannot be used to resolve conflicting information. If the reviewer is unable to resolve the difference with the household, the reviewer must use the most reliable data available and must document how the final determination was made.

Note: The provision in Section 324 does not apply for CE/BBCE households when the case appears to be ineligible due to income levels because there are no gross or net income tests for CE households. This provision also does not apply to cases in which the household is eligible for the minimum or zero-dollar allotment. See [Section 610](#).

330 CASES NOT SUBJECT TO REVIEW (NSTR). Certain types of

cases (as listed below) should not be included in the QC sample. These cases are normally eliminated in the sampling process. However, if a reviewer receives a case that should not have been sampled, the following procedures must be used:

- Terminate the review at the point when a determination is made that the case is not subject to review.
- Complete items 1 through 7, 9, 20-29, 46-53, and items 68-70 of Form FNS-380-1.
- A FNS-380 must be partially completed, including:
 - identifying information, and
 - adequate documentation that the case meets the criteria as NSTR.

If these steps are not followed, the case will be considered an incomplete case.

Note: All cases meeting the criteria in [Sections 331 through 338](#) must be coded as not subject to review.

331 Oversampling. Cases dropped as a result of oversampling are not

subject to review.

332 Cases Listed in Error. Households listed in error as active cases are NSTR. They include but are not limited to:

- Negative cases mistakenly appearing in the active sample.
- Households that did not participate in SNAP for the sample month, including suspended cases, those that were eligible for zero benefits before any recoupments were made, and work supplementation cases. Households are considered to have participated if they meet the active case definition in [Section 130](#). (See [Section 321](#) for details regarding participation in Electronic Benefit Transfer type systems).
- Households that received restored benefits but were otherwise not participating based upon an approved application.
- Households that received retroactive benefits for the sample month. This includes households that applied for participation in the sample month but were not certified until the following month.

333 Disaster Cases. Households certified under Disaster SNAP (D-SNAP) procedures authorized by FNS because of a natural disaster are NSTR.

334 Cases Pending a Hearing. Households appealing an adverse action are NSTR when the review date falls within the time period covered by continued participation pending the hearing. This includes:

- PA cases certified under joint processing that are under appeal
- Jointly processed cases even if only the PA grant is under appeal, if SNAP benefits are frozen pending the decision on the PA appeal

Note: A case remains NSTR if the hearing is pending AORD. Even if the hearing decision has been rendered AORD, a case remains NSTR if the hearing decision included the review month.

335 Intentional Program Violation (IPV) Cases. Cases are NSTR if, as of the date the case is selected for QC sampling:

- The case has been referred for investigation to the state's fraud investigation unit, and the investigation is scheduled to begin within 5 months of sampling,
- The case is under active fraud investigation, or
- The case has a pending administrative or judicial IPV hearing.

Scheduled - means that a date has been set for the investigation to begin.

Under active investigation - means that the fraud investigator has begun exploring the details of an apparent client-caused overissuance. To be considered "active" the investigation must be in progress - not that the case has only been referred for investigation and accepted by the fraud investigation unit.

336 All Household Members Have Died. The case is NSTR if all the SNAP household members who could be interviewed died before the review occurred or was completed. The availability of an authorized representative for an interview does not make this case subject to review. Cases must be dropped as NSTR if this situation applies. The reviewer must document dates of death and how death was verified in order to justify and verify dropping the review. Some examples of acceptable verification include a listing from a funeral home website noting the client's death or an obituary from a newspaper.

337 Household Moved Out of State. The case is NSTR if all the household members who could be interviewed moved out of State and have not returned by the time the reviewer attempts to contact the household. The availability of an authorized representative for an interview does not make this case subject to review. The reviewer must verify the facts of the move out of State and document when the client moved, where they moved, and the collateral source used to gather this information. EBT transactions conducted out of State do not verify an out of State move. Some examples of sources for verification are the United States Postal Service (USPS) or a former landlord indicating the out of state move. If verification is not available, the reviewer must document attempts to obtain verification and how it was determined the household moved out of State. Documented information is required in order to validate dropping the review as moved out of State.

338 Unable to Interview. Cases are NSTR if the interview cannot be completed because all individuals who could be interviewed:

- Have been hospitalized, incarcerated, or placed in an institution and are expected to remain there for 115 days after the end of the sample month.
- Cannot be located after all reasonable efforts to do so have been made and documented as provided in [Section 442.1](#).

Chapter 4

FIELD INVESTIGATION

400 GENERAL. This chapter provides guidance on conducting field investigation in active cases. The two basic activities involved in a full field investigation are: (1) interviewing the household, and (2) obtaining verifications, including making collateral contacts.

410 PURPOSE. The purpose of a field investigation is to obtain, verify, and document all relevant information about the household's actual circumstances that relate to the household's eligibility and benefit level for the sample month's issuance. A full field investigation must be conducted for all active cases that are subject to review, except as otherwise provided in this chapter or ineligible cases as provided in [Section 324](#).

411 Alaska Cases. A full field investigation is not required for cases sampled in isolated areas of Alaska that are not reasonably accessible considering regularly scheduled commercial air service, available lodging and automobile or public transportation.

Examples:

- The area could be considered not reasonably accessible if the reviewer has to stay overnight because of airline schedules, and there is no suitable lodging.
- The area could be considered not reasonably accessible if the reviewer could not leave an area within a reasonable period of time after conducting the review. For example, the review(s) may take several hours, but the reviewer would not be able to fly out for several days.
- An area could be considered not reasonably accessible if there is no available ground transportation such as rental cars or public transportation that would be needed to conduct a face-to-face interview.

In such cases, at least one attempt to contact the household by the most efficient manner possible, including by telephone or email, for example, must be made and documented. Documentation of the phone number called, or email used, date and time called and person the reviewer spoke to and/or any emails sent and received must be documented and included on the FNS-380, Column 3, Review Findings.

The reviewer must document the outcome of the contact. Examples of possible outcomes and what to document include, but are not limited to, the following situations where the reviewer:

- Attempted a phone call but there was no answer.

- Left a message.
- Spoke to the client and confirmed the household would keep the appointment.
- Spoke to the client and the household requested rescheduling the appointment.
 - Documentation must include new date, time, and place of interview when required to reschedule at the client's request or due to a missed appointment.
- Received an email returned as undeliverable.
- Received results of return receipt from emails sent to the household.

When the reviewer has documented unsuccessful attempts to contact the household, case completion must be attempted and documented using verifications and collateral contacts.

412 Information Sought. The reviewer must examine only those circumstances related to the household's eligibility and benefit level from the last certification action through the sample month, as applicable.

The time periods for which information must be sought and verified will vary depending on the household's eligibility, budgeting, and reporting systems and whether income and expenses have been averaged or prorated.

Note: Under no circumstances must the reviewer question the household regarding the possibility of ineligibility due to an illegal drug conviction or possible status as a fleeing felon. This is to ensure safety for the reviewer and ensure quality control does not interfere with any ongoing law enforcement activities. (For details on this limitation of information sought, see the specific review procedures for disqualified household members in [Section 848](#).)

413 Completion of Form FNS-380, Column 3 Review Findings of the QC Worksheet. During the field investigation, the reviewer must complete Column 3, Field Findings of Form FNS-380. The reviewer must document an analysis of each element. This includes documenting confirmation of information in Column 2, Case Record Analysis, which comes from the eligibility worker's budget. Reviewers are responsible for resolving inconsistencies of information discovered during the review and documenting the results in Column 3, Field Findings.

All mathematical calculations must be shown in detail in Column 3, Field Findings, for a elements that require a mathematical calculation, including but not limited to: child care, medical deductions, earnings and shelter costs, such as taxes and insurance paid other than monthly, etc.

414 Planning the Field Investigation. Prior to conducting the interview, the reviewer must review the case record to identify areas where particular attention is warranted, e.g., conflicts in information or gaps in

information. To facilitate the field investigation, the reviewer must also identify elements which were accurately verified and documented in the case record and are still applicable in the review month; such as birth certificates, marriage license, data matches, and social security cards, and document them in Column 3 of Form FNS-380.

The reviewer must schedule and conduct a personal interview with the household or their authorized representative and obtain required verification from both client and collateral contacts. Local agency eligibility workers or other State employees generally should not be used as collateral contacts (refer to [Section 430](#)).

FNS encourages the reviewer to send a certified return receipt letter to gain the household's cooperation. A copy of all appointment letters must also be included in the QC review record.

415 Obtaining Verification. When adequate verification is not contained in the certification record (electronic file or hard copy in the case record), the reviewer must obtain verification from collateral contacts.

A collateral contact is a non-household member who can verify the actual circumstances for the element under review.

A collateral contact should not be a relative unless that relative is the source of the information and/or no other verification is available. Unless the relative is the source of the information, the reviewer must document why no other collateral contact was available for the elements being verified by the relative.

Example: The household resides in a home owned by the client's grandmother, and the client states they are not billed for rent. The client's grandmother is the only person with direct knowledge that she does not bill the client for rent; therefore, it is appropriate to use the grandmother as the verification source.

Example: Bob applied for SNAP. He is employed by his father (a non-household member) and is paid in cash. No pay stubs are available. In this instance the father would be the best source of verification.

Example: Bob's sister (a non-household member) provides child care while the household member works. The sister is the only source of verification available for the child care deduction.

For QC purposes, a collateral contact is a source of information that can be used to verify household circumstances. The reviewer should note those elements that require additional verification; and obtain and document the name, address, and

telephone numbers of those sources from the household during the interview.

The reviewer must also obtain a signed release, if required by State privacy laws, from the household to access information. The dates of all contacts with household members or collaterals must be included in the documentation in Column 3, Field Findings, along with attempted contacts. All documentation must be completed in the appropriate element to which it applies.

420 HOUSEHOLD INTERVIEW. The QC reviewer must conduct a personal interview for active cases subject to review to determine the identity of the applicant and whether the household did exist, and to explore household circumstances affecting the sample month's eligibility and allotment. The personal interview, depending on the circumstances of the case, may be a face-to-face interview, a telephone interview, or a video conferencing interview. The household interview method must be accurately documented on Form FNS-380-1, Item #69. QC Interview and all interview notes must be included in the case file and documented in each element on the FNS-380.

An interview is required for all cases except:

- Certain Alaska cases as provided in [Section 411](#),
- When the household is determined ineligible as provided in [Sections 324](#) and [441](#), or
- The household fails or refuses to cooperate as provided in [Section 442.2](#).

During the interview, the reviewer must request documentary evidence that the household has available in addition to other verifications necessary to completing the case such as:

- Utility bills, pay stubs, birth certificates, rent receipts, and award letters;
- A release from the household to obtain documentary evidence that is not available at the time of the interview; and
- Names, telephone numbers, and addresses for all collateral contacts for additional verification. In no situation can this be the local agency eligibility worker that certified the case or has previously certified or assisted the household due to the potential introduction of bias in the QC process.

In some instances, when the interview cannot be completed, e.g., all members who could be interviewed have died; the case is not subject to review as provided in [Section 336](#).

Example: The sampled review is a one-person household. The client died prior to the interview. The reviewer must document the date of death and how it was verified, such as on-line funeral home website noting the client's death, obituary from a newspaper, or statement from a non-household relative.

In situations where the interview cannot be completed, and subsequently, the review cannot be completed or is not subject to review, the reviewer must document why the review cannot be completed and verification of the circumstance making the review not subject to review or unable to complete must be included. All attempts to complete the review must be documented in the QC review record transmitted to FNS.

When information is reported to the reviewer that has not been reported to the agency, it is essential for the reviewer to inform the household they are required to report that same information to the local office in order to meet their reporting requirements.

Note: The reviewer should not question the household regarding the possibility of ineligibility due to an illegal drug conviction or possible status as a fleeing felon. This is to ensure safety for the reviewer and ensure quality control does not interfere with any ongoing law enforcement activities. (For details on this limitation of information sought, see the specific review procedures for disqualified household members in [Section 848](#).)

421 Arranging Household Interview. The reviewer must notify the household prior to the interview that they have been selected as part of an ongoing review process for QC and a face-to-face interview, with few exceptions, must be completed. When scheduling an interview the reviewer must notify the household of the interview date, time, and location. The interview notice must also inform the household of the type of information they will need to provide for the review.

To assist in gaining household cooperation, advanced contact with the household may be made prior to the interview date, including phone call, letter, text, or email. The household can also be sent a certified letter informing them of the date, time, and location of interview as well as what verification is required for the review. Documentation of all attempts to contact the household must be included on Form FNS-380. (See [Section 520](#).) Sending a certified letter and making advanced contact are best practices to assist States in increasing their completion rates.

422 Individuals Who Can Be Interviewed. The reviewer must

interview one of the following individuals:

- The head of the household;
- The head of household's spouse when the spouse is a member of the household;
- Another adult member of the SNAP household under review who is knowledgeable regarding the household and actual household circumstances. This member must be able to identify the applicant, prove the household exists, know circumstances that affect eligibility and allotment, and provide documents along with the names, telephone numbers, and addresses of collateral contacts; or
- The authorized representative designated by the household to apply for the program on behalf of the household. An authorized representative may not be interviewed if all household members who could be interviewed have died or moved out of State. (See [Sections 336](#), [337](#) and [338](#).)

423 Location of Interview. The State agency determines the location of the face-to-face interview in most cases. For most reviews, the interview may take place at:

- The household's home;
- The local certification office; or
- Another location that is mutually agreeable to both the reviewer and the household.

The reviewer must not require the interview be at the certification office when that will inconvenience a household due to:

- Inadequate public transportation
- No car
- Challenges with child care
- Conflicting work hours
- Conflicting school hours
- Illness or disability

FNS encourages reviewers to interview households in their homes. However, interviews should not take place in the home when there is a threat to the reviewer's physical safety, if the household lives in a high crime area, or no one is at home during the day because of employment.

A home interview can be important in determining whether the household lived at the address given. A home interview enables the reviewer to make visual observations of pertinent living circumstances that may require further clarifications and verifications.

Example: The household says there are no children in the home but there are several children present during the interview. There are also many toys inside and outside the home. The reviewer should explore possible household composition discrepancies and any other elements of eligibility and/or benefit determination.

When the interview is scheduled at a location outside the home, the household must be advised in advance what documentation needs to be brought to the interview. For example, a driver's license for verification of identity, pay stubs, utility bills, medical bills, social security cards, marriage license, etc.

Telephone interviews may be conducted in the following circumstances:

- In Alaska under circumstances discussed in [Section 411](#),
- For households with allotments of \$100 or less,
- Households that receive transitional benefits discussed in [Section 223.6](#),
- By an approved FNS waiver and in cases meeting the special circumstances addressed in [Section 423.1](#).

An office interview must be waived if requested by any household that is unable to appoint an authorized representative and:

- Does not have a household member available to come to the office because they are elderly or disabled, or
- Lives in a location not served by a certification office.

423.1 Special Circumstances and Conditions Regarding Personal Interviews by Video. The personal interview between the reviewer and client or household's authorized representative can take place using video. This option is available to any State agency by waiver. The waiver does not require formal approval by FNS in order to be implemented. When the personal interview between the reviewer and household takes place using a video application or system the following procedures must be adhered to:

- The State agency is responsible for providing a secure link which the video interview will be conducted. State systems or privacy laws may factor into the appropriate use of a video system or application.
- The reviewer must inform the recipient it is their choice whether the personal interview takes place via video or the traditional face-to-face interview. The reviewer cannot determine unilaterally that a video interview will be conducted. A household's preference to be interviewed by a method other than video technology, of itself, may not be construed as a failure or refusal to cooperate with the reviewer.

- With one exception, the reviewer must not record the video interview, nor must the State agency use a video interview for any purpose other than to fulfill the requirements of the SNAP Quality Control field investigation. The exception is a screen “snapshot” may be taken, recorded, and printed to provide documentation for the review.
- The reviewer must inform interviewees prior to the video interview that it will not be recorded or stored, and that the information derived from the interview generally will not be used for any purpose other than the quality control review.

424 Conducting the Interview. The following are procedures for conducting the interview with the household.

424.1 Opening the Interview. The reviewer must show credentials and explain the purpose of the interview. Prior correspondence may have explained the purpose, but reiterating the reason ensures the household understands the purpose of the interview.

424.2 Addressing Household Fears During the Interview. The reviewer should explain to the household that they and other households were selected at random from a list of SNAP recipients. The reviewer should also explain the purpose of conducting the interview is to find out if households are receiving the correct benefit amount. The reviewer may include a statement that the review is also to verify the State agency is properly applying the SNAP rules and regulations. The reviewer should assure the household that all information obtained will be safeguarded.

424.3 Observations During the Interview. Observations should be made of such things as vehicles in the driveway, evidence about household composition, or employment.

Example 1: A household with no children used to have self-employment as a home day-care center but reported closing the center. Observations during the interview may show toys or some other evidence of young children in the home that would warrant further inquiry.

Example 2: A household consisting of a mother and three young children is completing a video/telephone interview for QC purposes. During the interview the reviewer hears a man’s voice in the background. This may be an indication of another household member in the home. The situation would warrant further inquiry.

424.4 Establishing Household Composition. Household composition

must be established early in the interview process because many of the questions asked depend on who is in the household.

424.5 Reviewer Inquiries. The reviewer must ask the household about each element in the 100-300 series and if there have been any changes as it applies to each household member. Thorough documentation of each element is required and must include the household's responses.

For example, in a two-person household of Mr. and Mrs. Jones with neither person exempt from work registration, the reviewer might ask, "Mr. Jones, did you work for anyone or were you self-employed during the month of October?" That question would be repeated for Mrs. Jones: "Did Mrs. Jones work for anyone or was she self-employed during the month of October?"

If the reviewer obtains conflicting information about the household's circumstances, the reviewer must resolve any inconsistencies by recontacting the household. The source(s) of the conflicting information may be the household, a collateral contact, or both. The reviewer must document how they determined the new information is correct and why the first statement was incorrect or incomplete. For example, if the household reported that it was paying \$400 in rent and the landlord stated that the household was actually paying \$600 in rent, the reviewer must ask the household to explain the inconsistency. Follow up questions may be required to resolve the inconsistency. The reviewer must document all steps taken to clarify the inconsistency and the conclusion reached.

424.6 Recording Household Statements. The reviewer must record the household's statements in Column 3 Field Findings of Form FNS-380.

424.7 Verification. The reviewer must verify household information during the field investigation for the sample month and certification action, if the verification was not accurately and adequately documented in the case file.

Example of recording a household's statement: "Mr. Smith stated he worked for Charley's Choice Computers, 123 Main Street, 836-1234, during June and earned \$300 a week gross. He received four paychecks in June. No one in the household received any other earned income in June. He said no one was self-employed during June. The client stated there had been no changes in his earnings or any other household member's earnings."

- **Reviewing Documentary Evidence.** The reviewer must review appropriate documentary evidence which the household has available. If the evidence available does not meet verification requirements additional evidence must be obtained. This must be documented as outlined in [Sections 521, 522, and 523](#).

- **Obtaining Collateral Contacts.** The household is the best source of names, addresses, and telephone numbers of persons or sources that can verify household circumstances. Therefore, the reviewer must ask the household for this information but is not limited to contacts provided by the household.

If the household refuses to provide such collateral contacts, the following procedures must be followed:

1. If the household refuses to cooperate, the reviewer must explain their refusal will result in a termination of SNAP benefits. As discussed in [Section 442.2](#), such cases must be completed if the reviewer has the necessary information required to complete the case.
2. The reviewer must try to find collateral contacts by other means, gathering information from persons or entities with knowledge of the household circumstances.
3. The reviewer must document all attempts, both successful and unsuccessful, to obtain collateral information. Documentation must include collateral contact's name, phone number address, dates, and responses obtained.
4. The case must be completed if the reviewer has the necessary information to complete the case. See [Section 442.2](#) for information on household refusal to cooperate and [Section 442.3](#) for likely conclusion.

Note: If required by the State, the reviewer must obtain a signed State release of information from the household as part of the standardized review process prior to reaching out to collateral contacts. The signed State release of information is required in certain States in order for QC reviewers to contact third parties to obtain information pertinent to the household's SNAP case.

430 COLLATERAL CONTACTS. Collateral contacts are required when verification is not present in the case record or from the household. Most often the information that should be sought from a collateral contact will be evident. For example, information about rent would generally be obtained from landlords.

When an Authorized Representative (AR) is acting to fulfill the requirements of the personal interview, they are acting in the capacity of the client and therefore are an inappropriate collateral contact for the household. However, if the AR is the only source of verification for an element, such as if they provide dependent care services to the client, it would be appropriate to have the AR verify the specific element.

State agency and QC staff members may, with household consent, also serve as a collateral contact for a household when the staff member has personal knowledge of the household and element needing verification. The collateral contact must not have been the eligibility worker or otherwise have served the household in a professional capacity related to SNAP. All communication will be handled with the same considerations as if the contact did not work for the State and all rules in [Section 431](#) of this handbook apply.

431 Obtaining Information from Collateral Contacts. When contacting collateral information sources, reviewers must identify themselves, describe their purpose, and state what information they need.

If the collateral contact is not willing to cooperate without a signed release from the household and the State does not require a release, the reviewer must go back to the household and request a release to obtain cooperation from the collateral. If the household refuses to sign or provide a written release to the reviewer, the household must be sanctioned due to non-cooperation with QC (see [Section 442.2](#)).

The reviewer should only disclose the information that is absolutely necessary to get the information being sought. If possible, the reviewer should avoid disclosing the household applied for SNAP and should not disclose information provided by the household. If SNAP must be discussed, the reviewer should indicate the request for information does not mean the agency suspects there is something wrong with the household's SNAP case.

Discussions with collateral contacts must focus on information pertinent to the review however it may include other factors than what the reviewer planned to verify. For example, a landlord who was contacted about rent may mention the presence of a household member which neither the case record nor the household indicated. If so, the reviewer must obtain any relevant information about the person that the landlord may know and contact the household again to resolve any inconsistencies.

432 Collateral Contact Refusal to Cooperate. A third-party may refuse to provide information needed to verify an element of eligibility or basis of issuance. The program has no authority to require third-party cooperation. If verification cannot be obtained from other known sources, the household must be contacted again to obtain another source. A collateral's refusal to cooperate should not be interpreted as the household's refusal to cooperate. Documentation of a third-party refusal to cooperate must be shown on the appropriate element on Form FNS- 380, Column 3, Field Finding.

433 Documentary Verification. The reviewer must document verification obtained from collateral contacts by recording the information in

Column 3 of Form FNS-380 and by attaching copies of documentary evidence. ([See Section 520](#) for documentation requirements.)

440 COMPLETION OF FIELD INVESTIGATIONS. Field investigations must be completed to the point of either ineligibility or when the appropriate benefit allotment is determined, verified, and documented. This does not apply to cases that are not subject to review, as specified in [Chapter 3](#) and cases that the reviewer is unable to complete in accordance with [Section 442](#). Documentation of why the case is not subject to review or the reviewer is unable to complete the review must be made on Form FNS-380.

441 Cases Determined Ineligible. If AORD the reviewer determines and verifies the household's ineligibility based on information obtained from the household, the review can be terminated at that point. If AORD the household appears ineligible based on information from another source, the correctness of the information must be verified and in effect AORD. As part of determining whether the household is ineligible AORD, the reviewer must consider whether the information used to establish ineligibility was required to be considered AORD, including whether the household was required to report the information and whether the State was required to act on the information AORD. Once ineligibility has been verified AORD, the review can be terminated at that point. If the information is conflicting, the reviewer must:

- Resolve the difference to determine which information is correct.
- Re-contact the household and discuss the difference unless the household cannot be reached or refuses to cooperate.

When resolving unclear, questionable, or conflicting information, the reviewer must use their best judgment based on the most reliable data available and must document how the differences were resolved. Likely conclusion cannot be used to resolve conflicting information. If the reviewer is unable to resolve the difference with the household, the reviewer must use the most reliable data available and must document how the final determination was made.

Note: The provision in Section 441 does not apply for CE/BBCE households when the case appears to be ineligible due to income levels because there are no gross or net income tests for CE households. This provision also does not apply to cases in which the household is eligible for the minimum or zero-dollar allotment. See [Section 610](#).

442 Incomplete Case. Every reasonable effort must be made to complete all active cases except those that are not subject to review. All cases reported as incomplete must be reported to the State agency for appropriate action on an individual case basis.

442.1 Certification Record or Household Cannot Be Found. The reviewer must make all reasonable efforts to locate the certification record and the household in an attempt to complete the review.

Note: If the reviewer determines the household lives at the address but is unable to talk to them, this cannot be NSTR (see [Section 442.2](#) for failure or refusal to cooperate). Confirmation of the address takes place when:

- USPS verifies the household does receive mail at the address;
- A household member signs a certified mail receipt; or
- A collateral contact with a source verifies the household lives at the address.

Unable to locate both the Certification Record and Household. If neither the certification record nor the household can be found, the case must be reported as incomplete (Code 3) regardless of the State’s efforts to locate the household.

Unable to locate the Certification Record: When a certification record cannot be found, the reviewer must use all available information to contact the household and complete the review. Most State agencies currently have at least a portion of the certification record in the State eligibility system. It is unlikely the case record will not be located.

Unable to locate the Household: The reviewer may be unable to locate the household at the address indicated in either the case record or the issuance record, and the reviewer is not aware of the household’s current address. When a household cannot be located, there is a two-step process which must be followed before the case can be dropped as NSTR.

Step 1: The reviewer must attempt to locate the household by contacting at least two sources the reviewer determines are most likely to know the household’s current address. The reviewer must document why selected sources are most likely to know where the household currently resides. To qualify as a contact, the source must have familiarity with or knowledge of the household and provide feedback. These sources and attempts to locate must be documented in detail on Form FNS-380, Column 3.

Such sources may include, but are not limited to:

- Correctly addressed correspondence from Quality Control to the household has been returned with an official Postal Service stamp indicating the correspondence was "undeliverable," "moved no forwarding address," etc. (In this instance, the official postal stamp may serve as one source of contact; however, a letter marked simply “unclaimed” is not acceptable.)
- The local office of the U.S. Postal Service.
- The State Motor Vehicle Department.
- The owner or property manager of the residence at the address in the case record.
- Any other appropriate sources based on information contained in the case record, such as public utility companies, telephone company, employers,

- relatives or school officials.
- Appropriate sources for homeless households may include soup kitchen personnel, homeless shelter operators, or transient housing officials.

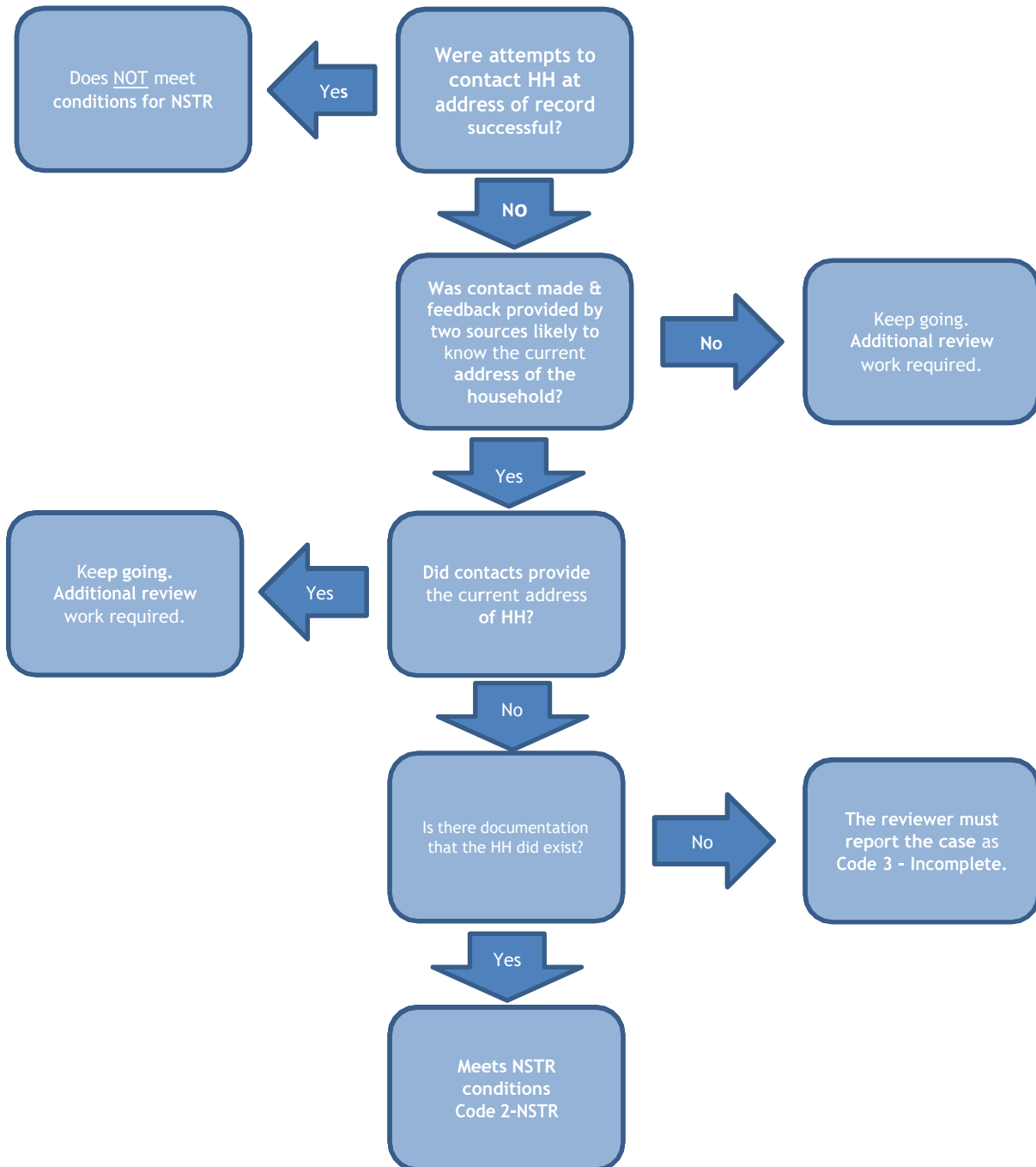
Step 2: After the reviewer has attempted to locate the household and documented the attempts and responses from Step 1 above, the reviewer must document evidence the household existed. This step can be completed by either:

- Documenting two different elements of eligibility or basis of issuance, such as a copy of a birth certificate for age, a pay stub for income, or
- Documenting the statement of a collateral contact indicating that the household did exist during contact made in Step 1 above.

Once both Steps 1 and 2 above have been successfully completed and documented the case can be dropped as NSTR (code 2).

Note: If the reviewer fails to undertake these efforts or to properly document the efforts, the case is considered incomplete (Code 3) as opposed to not subject to review (NSTR) (Code 2). When the reviewer determines that the household never existed, e.g., an apparently bogus case, or never lived at the address given and the household cannot be located, the case must be coded as incomplete (Code 3). Documentation on Form FNS-380 must indicate why the reviewer determined the household never existed or never lived at the address given when the household cannot be located.

Conditions that must be met for NSTR reason - Code 2 - Unable to Locate the Household



442.2 Household Refusal and Failure to Cooperate. One or more members of the household may refuse or fail to cooperate with the reviewer by refusing or failing to be interviewed, or by not providing collateral contacts.

The key factor in determining whether the household refused or simply failed to cooperate with the reviewer is whether the reviewer can verify the household was actually contacted and that the household was aware the reviewer was seeking its cooperation.

- **Determination of Refusal.** A determination of refusal to cooperate must be made if the household is able to cooperate, i.e., has the ability to take required actions that are necessary to complete the QC review process but clearly demonstrates it will not take such actions. If a household refuses to talk to the reviewer, that is a clear indication of a refusal to cooperate. A household's actions may demonstrate a refusal to cooperate even when they do not explicitly state they are refusing to cooperate, e.g. the household does not take a required action after having been given every reasonable opportunity to do so.

Below are examples of instances where the household's failure to take required actions in completing a QC review is considered a refusal to cooperate:

Not responding to a letter: The household does not respond to a certified letter which is the reviewer's attempt to contact the household to arrange an interview. The letter was sent Certified Mail-Return Receipt Requested, and is signed for by a household member, within 30 days of the date of receipt. The letter was signed for, which indicates the household is aware of the need for an interview; therefore, the client has refused to cooperate.

Not attending an interview: The household does not attend an agreed upon interview with the reviewer and then does not contact the reviewer within 10 days of the date of the scheduled interview to reschedule the interview.

Not following up: Following contact with the reviewer, the household does not return a signed release of information statement to the reviewer within 10 days of either agreeing to do so or signing for a request from the reviewer sent Certified Mail-Return Receipt Requested. The client has refused to cooperate in this instance.

Determination of Failure. For a determination of failure to be made, the reviewer must be unable to document or verify that the household is unwilling to take actions that it can take and that are required to complete the QC review process.

Examples of instances where the household would be considered to have failed to cooperate rather than refused to cooperate in completing a QC review include:

Failure, not refusal, when the household does not respond: The household does not respond to notes or messages left at the household's address or with a non-household member, but the reviewer is unable to verify the household received the notes or messages. An exception must be made to this provision for notes or messages left with the household's eligibility worker. If the eligibility worker states the notes or messages were conveyed to a household member, and these notes or messages do not elicit a response from the household, then the household's lack of response will be considered a refusal to cooperate with the reviewer.

Failure, not refusal, when a third-party does not cooperate: A collateral contact refuses to cooperate.

Failure, not refusal, when the household cannot cooperate: The household demonstrates a willingness to cooperate with the reviewer but is unable to provide requested information, because the information is not in the possession of the household.

- **The Process to Obtain Compliance in Both Refusal and Failure to Cooperate Situations.** If a household refused or failed to cooperate with the reviewer:

The case must be reported to the State agency to assist in obtaining the household's cooperation. This assistance may include, but is not limited to, such things as having the eligibility worker contact the household and writing the household a letter from a State official. The State can also assign the case to another QC reviewer.

After such actions, in cases where it has been determined the household refuses to cooperate, the household must be notified of:

- the penalties for refusing to cooperate with respect to termination and reapplication; and
- the possibility the household's case will be referred for investigation for willful misrepresentation.

If the household refuses to cooperate after such notice, the reviewer must report the household's refusal to the State agency for termination of the household's participation without regard to whether the reviewer is able to complete the case.

It is the responsibility of the reviewer to establish whether a household's lack of

cooperation is based on a refusal or a failure to cooperate. All the steps taken in the attempt to gain the cooperation of the household, as outlined in this section, must apply to all cases in which the household is determined to have either refused or failed to cooperate with the reviewer. The reviewer must not, however, report the case to the State for termination when it is determined the household failed, rather than refused, to cooperate.

When the reviewer has verified the address/residence of the household, but the household does not respond to letters, notes, or messages requesting the household's cooperation, the reviewer must report the case to the eligibility worker to determine any appropriate administrative actions that may be needed. The reviewer must inform the eligibility worker that if the household responds to any administrative actions, the eligibility worker is to inform the household of the quality control review and how to contact the reviewer.

In all cases where the reviewer has determined the household refused or failed to cooperate in completing the quality control review, the reviewer must attempt to complete the case without the cooperation of the household. If the reviewer is able to determine and verify all of the necessary information without the cooperation of the household, the case must be reported as complete even if the household could not be interviewed. **In no instance may the potential outcome of the review finding, such as a potential error in the review, impact completion of the review.**

If the reviewer is unable to determine and verify all of the necessary information without the cooperation of the household, the case must be reported as incomplete. If after disposition of the case as incomplete the household later agrees to cooperate with the reviewer (at any time up until 125 days after the end of the review period), the reviewer must interview the client and once again attempt to complete the case.

All of the procedures taken to gain the cooperation of the household and to complete the review must be documented in the QC review record.

442.3 Likely Conclusion. Likely conclusion is the use of information, other than standard verification, in conjunction with verified case record information, that supports a reasonable judgement of eligibility for a particular element or elements. If there is no verification to support the likely conclusion determination in the case record, likely conclusion cannot be used for the element. In addition, likely conclusion cannot be used if the attempts to obtain standard verification are not documented as outlined in [Chapter 5](#).

The reviewer cannot use likely conclusion for the following:

- For non-citizen status
- To confirm information from matches performed by the State's

- Income and Eligibility Verification System (IEVS)
- For earned or unearned income that is not stable (fluctuating income)
- In lieu of checking DMV databases for vehicles
- For SSN's
- For verifying work requirements

Each QC review is an independent review. The determination of whether or not “likely conclusion” could or should be used is case specific. No contradictions or discrepancies can be resolved using likely conclusion. For an element where likely conclusion can be used but is not, and the element is not otherwise completed, the reviewer must document the reason for not using likely conclusion.

Prior to use of Likely Conclusion the reviewer must:

- Check the case record for acceptable standard verification;
- Attempt to get standard verification from the household, however do not limit the household to one type of standard verification, see [Section 513](#);
- Attempt to get standard verification from collateral contacts and other sources, as required ([see Chapter 5](#)); and
- Document the results of each attempt to obtain standard verification.

Once the reviewer has taken and documented all the above steps and results, and verification cannot be obtained, the reviewer may attempt to use likely conclusion. The case record must contain enough information and verification to support the element as complete using likely conclusion verification such as:

- An application or mandatory report with the household's statement regarding the unverified elements;
- An eligibility worker's case notes that addresses what was said during the interview and what verification was obtained at application; or
- The element that is outstanding in the QC review must have been verified at certification.

Note: When household statement is allowable as verification in lieu of standard verification for QC, those circumstances are not considered likely conclusion. Please see verification requirements in the sections specific to those elements. For example, household composition Section 840.

The following are examples of appropriate uses of likely conclusion:

Example for using likely conclusion for element 311 Earned Income:

Recipient did not appear for interview or respond to any attempts to gain cooperation with QC. Letter sent to Mr. Smith 6/29 and certified letter sent 7/5. Phone call to 555-555-5555 made on 6/29; left message to contact reviewer. Letters from supervisor and local office workers sent 7/6. No responses received from correspondence or call.

The household consisted of one person who is aged 72. No earning reported in past 2 years on SNAP applications. The household exists as benefits issued are being used and Post Office inquiry received 7/16 showed mail delivered to recipient.

See attached information from the State Department of Labor dated 7/14, no earnings found for the household and no Unemployment Compensation benefits.

Recipient's application reported only Social Security income. SOLQ dated 7/5 showed SS benefits for the past 7 years.

No IEVS matches found in check of system on 7/5. Recipient's medical case shows only SS income.

The reviewer is making a reasoned judgment of the element of eligibility. The reviewer is likely concluding that no earnings exist based on the case record information, the prior applications for assistance, and matches with known employment systems.

Example of an appropriate use of likely conclusion: During the certification interview, the client claimed and provided verification that their rent was \$700. The client appeared for the QC interview, claimed they continue to pay \$700 in rent each month, but has been unresponsive since the interview took place. The reviewer attempted to contact the landlord for rent verification, received no response, and documented their attempts and results.

There is a lease in the case record that expired during the certification period stating the rent was \$700 and would be month-to-month if a new lease was not executed by the expiration. The client continues to live at the same address and USPS verified that mail is delivered to the address for the client. The reviewer may correctly use Likely Conclusion to complete this element. The QC interview result, all steps taken to attempt to verify the element, and what was used to make the likely conclusion must be documented.

442.4 Exception to Likely Conclusion Requirements for Certain Standard Allowances/Deductions. Likely conclusion may be used for standard utility allowances and the standard excess medical expense deduction when:

- Attempts to verify the deduction have failed and have been documented, and
- When there can be no impact to the household's eligibility or allotment amount as a result of either receiving or not receiving the deduction.

In these situations the reviewer is likely concluding the authorized SNAP standard allowance/deduction has no impact on two items- 1) eligibility and 2) the benefit amount.

The reviewer must document their contact attempts to verify the expense(s), the results of those attempts, and show their work for the figures used on the computation sheet on the FNS-380 which includes their analysis of the element with and without the standard allowance/deduction (see [Section 1213](#)). This is to support the determination of cost neutrality and demonstrate that including or excluding the element(s) has no impact on the allotment amount.

Example of acceptable use of exemption to likely conclusion requirements with a State standard deduction: The client stated during the QC interview that her phone number had not changed since certification, and she was responsible for the bill, which she stated she would mail back to the reviewer. When no verification was received, multiple attempts were made to reach the client, but the voicemail was full on each attempt and the reviewer was not able to leave messages. The reviewer documented their attempts to contact the household then verified all other circumstances in the case, including that the client has no income and received \$200 a month in family contributions. The client received the maximum benefit for a one-person household. The SQCR documented the telephone deduction did not have an impact on the eligibility of the household and demonstrated in the computation sheet that the impact of the deduction was neutral, and had no impact on the allotment when the deduction was applied and when it was not applied. The SQCR correctly completed the case using likely conclusion.

442.5 Late Reviews. A review cannot be reported as incomplete solely because it has not been completed in time to meet the requirements in [Section 190](#). The State agency must obtain prior FNS approval.

Chapter 5 VERIFICATION AND DOCUMENTATION

500 GENERAL. This chapter contains the general verification and documentation requirements. Refer to Chapters 8 through 11 for specific verification and documentation requirements for each element of eligibility and basis of issuance.

510 VERIFICATION. The reviewer must verify actual household circumstances using:

- information in the certification record;
- collateral contacts from the certification record;
- independent QC verifications obtained from documentary evidence and household/collateral contacts for each element of a household's:
 - eligibility for the point in time dictated by the eligibility rules governing the household's sample month participation, and
 - benefit calculation for the household's budget/sample month.

If eligibility must be determined for Comparison II, the reviewer must independently verify the information used for [the most recent certification action](#) in effect as of the review date (AORD). Independent verification for Comparison II means the reviewer must verify any element of eligibility and benefit issuance used for the most recent certification action in effect AORD if verification was not already located in the file. This includes required reportable changes that should have been in effect AORD. If the reviewer uses verification found in the certification record, the verification must meet the requirements in [Section 322.2](#).

511 Sources of Verification. The reviewer must obtain evidence that establishes facts of the household's circumstances for each element. Documentation must explain how the verification meets the criteria for evidence in the specific element. The reviewer must consider the sources of verification for each element in question, and use that information to evaluate the accuracy of the information obtained and consider what other information may be necessary to reconcile any conflicting statements.

The following examples show how the sources of information for two different elements can factor into the review. These examples also show how verifications for one element may impact another element, which may result in additional work to establish the facts of the case.

Example: The case record shows a shelter expense of \$500 for rent, including all utilities. A 19-year-old single parent household claims the lease is in her mother's name due to credit problems, and her mother lives at a different address. The reviewer obtains verification the lease is in the mother's name from the apartment complex, partially completing verification of element 363. The reviewer subsequently obtains a written statement from the mother stating she does not live with her daughter, and the daughter is responsible for paying the full \$500 rent, completing verification of element 363. Written verification for household composition from someone other than the mother and household, establishes only the client and her child are in the household. This written verification further corroborates the client's statement. The reviewer has provided sufficient verification of Element 363 and 150 and will document all verifications used to arrive at the conclusion on these elements.

Example: The case record shows a shelter expense of \$400 for rent, including all utilities. A 19-year old single parent household claims the lease is in her father's name due to credit problems, and her father lives at a different address. The reviewer obtains verification the lease is in the father's name from the apartment complex, partially completing verification of element 363. The reviewer subsequently obtains a written statement from the father stating he does not live with his daughter, and the daughter is responsible for paying the full \$400 rent, completing verification of element 363. A written verification for household composition, however, from an independent party, someone other than the father and household, establishes the father and client live in the same household. These discrepancies must be clarified, and the subsequent conclusion validated by verifications and documentation.

A list of sources for verification proven to be most reliable, are provided under the standard verification section of each element (see Chapters 8-11).

- Sources are provided to assist reviewers in completing reviews to the point when the proper benefit allotment is determined.
- Reviewers may use sources other than those listed under standard verification as long as they meet the criteria for evaluating evidence ([See Section 513](#)).
- For a few elements, only specific sources of verification may be used as indicated in Chapters 8 through 11.

512 Data Matches. The reviewer must complete the following data matches for the sample month: IEVS, SAVE, eDRS, and gaming entities when State data

matching agreements exist. The findings from these data matches must be included in the QC review record and independently verified by the reviewer when the data match system is not reliable and not the primary source of information. The reviewer only has to complete other data matches (Section 512.5) when they are otherwise unable to verify an element using applicable standard QC verification sources. All data match information must meet standards in [Section 513.1](#).

Reviewers must document in the QC review record when the local office did not complete mandatory data matches for the most recent certification action. If a local office failed to complete a required mandatory data match at eligibility, the reviewer must report each affected case under review as a deficiency to local office.

512.1 Use of the Income and Eligibility Verification System (IEVS) Data. IEVS is a system of information acquisition and exchange for purposes of income and eligibility verification. Each State Agency has access to IEVS and the use of it as a verification tool for the QC review is mandatory for all household members. The use of IEVS as verification has the potential of informing the reviewer of additional leads for other elements. **Further investigation of those leads from IEVS is mandatory.** (See Chapters 8 through 11.)

Important Considerations Using IEVS:

- Information from provider agencies must be updated and input before it is available for access through IEVS, creating a lag time of up to two quarters; reviewers must therefore investigate leads from IEVS information up to and including three quarters prior to the review date. There is no expectation to explore employment prior to the quarter preceding the initial certification.
- This delay also means the absence of information from IEVS cannot be used alone as confirmation of no income/resources.

512.2 Use of the Systematic Alien Verification for Entitlements (SAVE Data). SAVE is a Federal system used to verify an individual's immigration status or naturalized/derived citizenship. Reviewers must run the SAVE data match on all non-citizen household members and when a household member's citizen status is questionable.

Excluded Variances.

- A variance based on verification of non-citizen documentation by United States Citizenship and Immigration Services (USCIS). The reviewer must exclude such variances only if the State agency properly used SAVE and the case record contains that documentation with the following items:
 - The non-citizen's name;

- The non-citizen's status; and
 - Either the Alien Status Verification Index (ASVI) Query Verification Number or the USCIS screen print from the electronic SAVE system, as annotated by USCIS.
- Variances that result from a State agency's request for official verification of the non-citizen's documentation because they were unanswered by USCIS. The reviewer must exclude such variances only if the State agency properly used SAVE and the case record contains that documentation with either:
 - The date of request if the State agency was waiting for an automated response; or
 - The USCIS screen print from the electronic SAVE system, as annotated by USCIS, if the State agency was waiting for secondary verification from USCIS.

512.3 Use of the SNAP Fraud Electronic Disqualification

Recipient System (eDRS) Data. eDRS is a Federal system that tracks individuals who have been disqualified from SNAP for violating Program rules. Reviewers must run an eDRS data match on all household members age 18 and older.

512.4 Data Matches with Gaming Entities. To the maximum extent practicable, State agencies are to establish agreements with gaming entities in order to identify individuals within the State with substantial winnings who are members of a SNAP household. The reviewer must question households about [substantial lottery and gambling winnings](#) regardless of whether the State has established data matching agreements. The below procedures apply in regard to data matches.

- **When data match agreement(s) exist.** If a State agency established data match agreement(s) with gaming entities to identify individuals with substantial winnings, the reviewer must conduct a data match for anyone in the household that is 18 years or older AORD to determine whether any members are identified as winners on any of those gaming entity's lists. Documentation of the match must be in the QC review record. [See Section 520](#) for documentation requirements.
- If any members show up on the match request(s), the reviewer must verify receipt of substantial winnings with the household and document their findings in the QC review record.
- If a member in the household is confirmed to have received substantial lottery or gambling winnings AORD, the household is ineligible, the review ends, and the entire allotment under review is issued in error. The reviewer would enter Code 4 in Item 8 and the amount of the authorized allotment in Item 10 of Form FNS-380-1 (see [Section 1230](#)).

- If a member in the household is confirmed to have received substantial lottery or gambling winnings AORD, the local office must also be notified of the review finding and that administrative action may be necessary.
- When data match agreements do not exist. Reviewers in State agencies that either do not have gaming entities in their State or have not been able to establish an agreement with any gaming entity are not required to run a data match.

512.5 Other Data Matches. The reviewer must run data matches with other data match systems when attempts to verify elements of eligibility have otherwise failed. During the household interview, reviewers must discuss with the household information found through data matches and independently verify match information when the data match provider is not reliable or is not the primary source of the information. Documentation of match attempts and findings must be included in the QC review record. Other data match systems include, but are not limited to, the prisoner verification system (PVS), deceased matching system, the National Directory of New Hires and, as available, workman's compensation through State agency systems.

513 Evaluating Evidence.

513.1 Ensure Evidence Meets Verification Requirements. As the reviewer obtains evidence, they must evaluate the evidence to ensure:

- It meets the verification requirements for the element.
- It does not conflict with other evidence, or the conflicts are resolved and documented.
- It proves (either by itself or in combination with other evidence) the facts being verified.
- It pertains to the case member(s) or other individuals to whom it is supposed to apply.
- It establishes the circumstances for the element AORD for the appropriate issuance and budget month.

513.2 Consider Age of Evidence. In judging the reliability of evidence, the reviewer must consider the following:

- **Age of Evidence or Date Evidence was Established.** Does the date the evidence was established support the element being verified, or does it present inconsistencies?

Example: The case was sampled for review February 2023. Mr. Brown and spouse were initially certified in 2022 with rent of \$500 reported on the application. The household was certified for 12 months, January 2022 through December 2022. At time of initial certification, the eligibility worker verified the rent was \$500 with a year long lease received at the initial certification action and dated December 7, 2021 - December 6, 2022.

On December 27, 2022 the household applied for recertification. The recertification application indicated the rent amount was \$500. The eligibility worker accepted client statement of \$500 and allowed \$500 of rent. The reviewer must independently verify rent at time of recertification, even though the rent amount did not change, because the lease agreement in the case record is expired.

- **Purpose for Which Established.** Why was the evidence prepared? Would there be any reason for falsifying the evidence?
- **Basis for the Evidence.** What or who is the source? Is it reliable? For example, was the information provided for the purpose of establishing eligibility? If not, who provided the information?
- **Nature of the Evidence.** Is the evidence official, such as a birth certificate, deed or other legal instrument?
- **Custody of the Evidence and Its Availability.** Is the evidence in the custody of a person who might have a vested interest in changing or slanting the evidence?
- **Way in Which Specific Information Is Recorded.** Does written evidence clearly establish the facts of the issue being reviewed?

Example: Is the specific date of birth shown, or does it show only age? If it shows only age, does it indicate last or next birthday?

- If the answers to any of the questions above raise doubts concerning the reliability of the evidence, or the identity of the person to whom the evidence pertains; the reviewer must resolve these doubts and/or attempt to obtain other types of evidence.

Verification requirements of each section are the minimum requirements, and the reviewer must pursue additional verification, as needed, to ensure all criteria to establish the element has been satisfied. The reviewer must fully document verification of all elements.

Whether the reviewer uses sources from standard verifications found in Chapter 8-11 of this Handbook, other sources or IEVS, error determinations will ultimately be made based on the household's actual circumstances. All changes in an element

must be clearly documented identifying what the change was, when it occurred, and whether it was reported or unreported. Failure to question and document the client's statements regarding all potential changes in each element introduces bias in the QC system and is not acceptable.

514 Positive and Negative Allegations. Positive and negative allegations apply to all elements. Household disclaimers of any element must be evaluated in the context of the household circumstances and history. Verification standards differ in some instances depending on whether the household responds positively or negatively to a question.

- All changes in an element must be clearly documented identifying what the change was, when it occurred, and whether it was reported or unreported.
- Failure to question and document the client's statements regarding all potential changes in each element introduces bias in the QC system and is not acceptable.

Positive Allegation - A positive allegation is when a household is asked a direct question about an element and the client agrees the circumstance exists or existed in the household. This is the acknowledgement by a household member of receipt or of ownership of income and/or asset, and the acknowledgement of the responsibility for an allowable expense.

Positive allegation example: The household states they receive earnings from a job.

- The reviewer must obtain and verify details about the employment, including:
 - Name, address, and phone number of the employer;
 - Hourly rate, number of hours worked, and frequency of pay;
 - Full or part-time;
 - Whether there is regular overtime, bonus payments, tips, or commissions; and
 - Whether wages received in cash, by check, or by direct deposit to a bank account or debit card.
- The reviewer must obtain verification, such as:
 - Pay stubs, earning statements, or pay envelopes;
 - Statements or completed forms from the employer;
 - Printout of the Work Number or other payroll service provider's information, if available to the State agency.

- The reviewer must check IEVS matches to determine if there are other employers, or periods when income increases or decreases.

Negative Allegation - A negative allegation is when a client is asked a direct question about an element and denies the circumstance exists in the household. This is a statement of a household member denying the receipt of income, the ownership of assets, or the responsibility for expenses.

Negative allegation example: The household states they have no income from a job and no other income.

- The reviewer must question the household to explore any evidence of income:
 - How is rent/mortgage or utilities paid?
 - How are clothing, cleaning and personal hygiene items obtained?
 - Are there contributions or gifts or loans made to the household?
 - Explore when expenses exceed income.
- Explore past employment, including types of work and former employers.
- Explore any type of self-employment, or odd jobs, whether regular or seasonal.
- The reviewer must check IEVS for possible earnings. Any earnings found in IEVS matches from the current and previous three quarters must be explored. There is no expectation to explore employment prior to the quarter preceding the initial certification.
- Obtain a printout of the Work Number information or other payroll service providers, if available to the State agency. Explore any matches.
- The reviewer should check the National Directory of New Hires (NDNH) for possible earnings. Any NDNH matches, including previously run matches from the certification record, must be explored.
- The reviewer may also obtain collateral verification from a non-relative living outside the home to verify there is no income and to support the client's allegation in the absence of the above sources of corroboration.

Verification standards for negative allegations are included as needed with verification standards for positive allegations.

515 Verification Guidance. Guidance for appropriate verifications is provided in Chapters 8 through 11. Each element has standard verification and verification processes. The State must use the IEVS data in accordance with [Chapter 9](#) on resources and [Chapter 10](#) on income.

520 DOCUMENTATION. Documentation is the basis for determining if a

variance exists in an element and must clearly support the reviewer's findings for each individual element. Verification of all elements must be documented by recording information in Column 3 on Form FNS-380 Worksheet for QC Reviews; copies of all documentary evidence must also be attached. The reviewer must write the applicable element number on the top right of any documentary evidence used.

Detailed documentation of all calculations must be shown in any element where a budget figure must be determined including but not limited to:

- Income calculations for all budgets;
- Shelter costs;
- Child care expense;
- Child support income or expense; and
- Medical expenses.

521 Documentation with Attachments.

Verification is documented by attaching a copy of an official document or correspondence to the QC review record. When a copy or screenshot is available, the reviewer must include the attachment in the QC review record. The reviewer must also document on Form FNS-380, Column 3, for the appropriate element, and refer to the attached copy describing how the document verifies the element. The reviewer must write the applicable element number on the top right of the document.

522 Documentation by Recording a Document.

When a copy of a document is not obtainable, the reviewer must record information from the document on the QC worksheet Column 3. Recorded documentation must contain enough detail to ensure the

Examples of documentation with an attachment: Henry Jones stated he was born April 10, 1950, which he verified by providing a New York City birth certificate number 11234. See attached copy.

Sarah Wilson stated her rent was \$450 per month and did not include utilities. QCR obtained letter from landlord, Betty Jones, 303 Vista Rd, Dallas, (214) 555-5555, who verified rent of \$450 per month; utilities not included, for March. See letter attached.

Examples of documentation by recording: Wages for John Doe were verified on 11/5, by viewing two biweekly pay stubs from Jo and Mo's Bakery, 221 Landgrave Place, Pleasant, Ohio, check #0631, received 10/13, Gross Amt. \$206.50 and check #2506, received 10/27, Gross Amt. \$323.80.

Sarah Wilson stated her rent was \$450 a month that includes all utilities. Verified as \$450 for March from rent records viewed on 5/5 at Cherry Tree Apartments rental office, 500 Cherry Tree Lane, Blossom City.

household circumstances are clear to anyone not familiar with the case. Thorough documentation of verification from official sources, and correspondence and written statements from collateral contacts, must include the following:

- The date the QCR viewed the document.
- The source and type of document, its date (processed, signed, received, or sent), any document identification number, and the volume and page number, if applicable.
- Where the document is located, if appropriate, such as a government office.
- The pertinent information from and about the document. For example, explain if a paystub has a company name that differs from the company name shown on other employment documents. Explain the affiliation, such as Joe's Grill being owned by parent company, Best Restauranters.
- How the information from the document applies to the specific period of time under review.

523 Documentation of Verbal Statement by a Collateral

Contact. When documentary evidence cannot be attached to the QC file, information may be obtained verbally from collateral contacts. Documentation of the verbal statement must contain as much of the following information as possible, including why any piece of contact information is not available (for instance, the collateral refused to give an address and the contact was made by phone, which is provided). At a minimum, information must be sufficient to allow another reviewer to replicate the contact.

- Name of the contact;
- Title and organization (if appropriate);
- Telephone number (if none, document no number but address or email must be available);
- Address;
- E-mail address (if applicable);
- Significance to household;
- Date or dates of contacts; and
- Pertinent information obtained.

Example of documenting a verbal statement: Susan Jones stated her two children, Jack and Jill, attended a day care center in October that charged \$160 a month per child. This was verified on 2/15 by statement from Estelle Smith, Director, Cheery Child Day Care, 123 Cheery Ln, Seattle, (555) 555-5555, that Jack and Jill attended all of October and Susan Jones was charged \$320 for that month.

Note: The reviewer does not need to duplicate contact information within the element notes so long as it is recorded in Section C of the FNS-380. Documentation must be clear as to which collateral contact the element is referencing. Example:

If a collateral contact is listed as person number (PN) 11 in Section C of the FNS-380 and referred to as PN 11 in the documentation for an element this is sufficient.

524 Verification and Documentation of Negative Allegations.

A household's negative allegations must be verified using verification requirements in Chapter 8-11. Examples of negative allegations include no one in the household is employed, no one has a bank account or no one owns a vehicle. Verification of negative allegations must be documented on the FNS-380 worksheet Column 3.

525 Verification and Documentation in Automated

Certification Systems. In some State agencies, the certification file may be contained wholly or partially in computer files. Some State agencies have multiple computer systems where household eligibility information is stored. State agencies are required to make all eligibility information from all systems available to the reviewer. The reviewer must include all screenshots or printouts relevant to the review from these systems in the QC review record.

The QC reviewer must ensure verification and documentation is sufficient to establish each element of eligibility and the benefit calculation for the household's budget month. If not, the QC reviewer must obtain the necessary verification and document the FNS-380 worksheet in accordance with the standards in this chapter, and Chapters 8 through 11.

Chapter 6

ERROR DETERMINATION PROCESS

600 PURPOSE. The purpose of the error determination process is to determine whether each active case is eligible, eligible with an overissuance or underissuance, or ineligible for the sample month. The term “error” applies to the allotment. There is an error in the case if the household is ineligible. There is also an error in the case if the household is overissued or underissued benefits. Errors more than the current FY error threshold and all cases determined ineligible regardless of error amount will be included in the official error rate for a State agency. The inclusion or exclusion of any variance in an element may affect the error determination process; however, a variance is not an error.

There are two parts to the error determination process, the eligibility test and the allotment test.

610 THE ELIGIBILITY TEST. The reviewer must first 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. This may be different from its budgeting system requirements. (See Chapter 7, [Section 726.1](#), special provisions for simplified reporting cases.)

If the household was ineligible for reasons other than exceeding applicable income limits, the error determination process is complete. In this situation the review is terminated before the household’s complete

circumstances are established and Column 2 is not completed. The allotment amount would be zero as the entire amount authorized for the sample month was

Example of a Household Failing the Eligibility Test: Household consists of Bob, an able-bodied adult without dependents (ABAWD) that is subject to time-limited participation. Bob was correctly recertified in June, already used two of three countable months for time-limited participation, and he still had 16 months left on his 36-month tracking clock as of the recertification. Sample month is September of the same year. QC determines Bob has not worked since the first week of July when he worked 25 hours. Bob has fallen below the 20 hour per week ABAWD requirement and is determined ineligible for the month of September for exhaustion of countable months. The error determination process is complete and Column 2 is only partially filled out for the Sample month.

in error. The reviewer would enter Code 4 in Item 8 and the amount of the authorized allotment in Item 10 of Form FNS-380-1 (see [Section 1230](#)). Column 2 of the computation sheet would be completed using the figures determined in the gross or net income test if the household appears to be ineligible due to exceeding applicable income limits.

If the household is eligible, the reviewer must continue with the Allotment Test.

Note: For household's that are categorically eligible (including traditional, narrow, and broad-based categorically eligible), the eligibility test is considered to be complete once the reviewer has determined categorical eligibility was properly conferred, as discussed in Chapter 8, [Section 846](#).

Note: If a case is not categorically eligible and is found to be ineligible during the eligibility test, the steps for Column 2 in FNS-380 as outlined in this [section](#) should be followed. The review is complete at this point and the entire allotment authorized is reported as an error due to ineligibility even when the authorized allotment is less than the current QC error threshold. However, the calculations to support the ineligibility for exceeding the gross or net income must be documented as part of the review record to support the findings of ineligibility.

620 THE ALLOTMENT TEST. The allotment test may consist of a two-step process: Comparison I and Comparison II. The first allotment test, [Comparison I](#), is a comparison of an allotment computed based on verified sample month circumstances to the allotment authorized by the EW. The second allotment test, [Comparison II](#), is a comparison of the allotment computed based on actual verified circumstances based on the most recent certification action, excluding appropriate variances.

Prior to completing the allotment comparisons, the reviewer must verify the household's actual circumstances appropriate for the household's budgeting requirements. This means that all circumstances including household composition, income, and expenses must be verified and documented in Column 3 of the FNS-380 worksheet. The reviewer must document and verify all information using procedures found in Chapter 5 and Chapters 7 through 11.

The State is not allowed to complete a Comparison II without first completing Comparison I, except in certain Transitional Benefit cases (see [Section 727](#)).

621 Comparison I. The first comparison is made between an allotment computation based on actual, verified sample month circumstances, including allowable deductions, to the authorized allotment for the sample month. The reviewer must not determine whether there are any variances for the purposes of this comparison. All circumstances including household composition, income calculations, and expense calculations must be verified and documented as

outlined in [Chapter 5](#).

621.1 Compare Allotment Using Verified Sample Month Income and Deductions. The reviewer must compute an allotment using actual, verified sample month income and allowable deductions (see [Chapter 11](#)). This figure must include any relevant annualized, converted, or prorated amounts, and any applicable standard (e.g., SUA, homeless shelter standard, etc.). As appropriate, income received and expenses paid on a weekly or bi-weekly basis must be converted to a monthly figure.

621.2 Compare Computed Allotment to the Authorized Amount. The reviewer must compare the allotment amount computed in 621.1 to the amount the eligibility worker authorized for the sample month.

621.3 Recording of Error Findings and Amounts Less than or Equal to the Current FY Error Threshold in the Form FNS-380-1 Regardless of the Error Threshold. If the difference between these two allotment amounts is less than or equal to the current FY error threshold, the error determination process is over and the error amount will not be included in the State's error rate calculations. The reviewer must use the actual verified sample month circumstances for completing Column 2 of the computation sheet.

In addition, for Form FNS-380-1, enter Code 1, 2, 3 or 4 as appropriate in Item 8 and enter the appropriate error amount, regardless of the error threshold in Item 10.

621.4 If the Difference Between Allotments is Greater than the Current FY Error Threshold, Proceed to Comparison II. If the difference between these two allotment amounts is greater than the current FY error threshold, the reviewer must attempt to complete Comparison II.

622 Comparison II. The second comparison is completed based on verified budget month circumstances, including allowable deductions and variances that are not excluded in accordance with the requirements in Chapters 7 through 11. The reviewer must verify and document all household circumstances, including household composition, income, and expenses. Once the calculation is complete the result is compared to the authorized allotment for the sample month. The reviewer must verify and document all household circumstances, including household composition, income, and expenses.

Note: Reporting systems and State policy options may require the reviewer to consider different budget months for different elements.

The reviewer must verify all budget month circumstances and make corrections for

misapplication of policy, failure to act, computation errors and failure to report required changes by the household. As appropriate, income received or expenses paid on a weekly or bi-weekly basis must be converted to a monthly figure.

622.1 Compute an Allotment Using Verified Budget Month Circumstances, Excluding any Variances as Appropriate. The reviewer must compute an allotment using the verified budget month circumstances, excluding any variances as appropriate.

622.2 Compare Allotment Computed in 622.1 to the Eligibility Worker's Authorized Amount for the Sample Month. The reviewer must compare the allotment amount computed in 622.1 to the amount the eligibility worker authorized for the sample month.

622.3 If the Difference Between These Two Allotments is Less Than or Equal to the Current FY Error Threshold, the Error Determination Process is Complete. Enter Figures from 622.1 (Comparison II) for Column 2 of the Computation Sheet. If the difference between the two allotments is less than or equal to the current FY error threshold, the error determination process is complete and the error amount will not be included in the State's error rate calculations. The reviewer must use the figures from 622.1 (Comparison II) for Column 2 of the computation sheet.

In addition, for Form FNS-380-1, enter Code 1, 2, 3 or 4 as appropriate in Item 8 and enter the appropriate error amount, regardless of the error threshold, in Item 10.

622.4 If the Difference between Allotments is Greater than the Current FY Error Threshold, Enter Figures from 622.1 or the Figures From 621.1 for Column 2 of the Computation Sheet. Enter Appropriate Code in Item 8 and the Lessor

Example of Using Comparison I figures to determine the error: For the case under review, the figures from 621.1 (Comparison I) reflect an allotment error of a \$135 overissuance. The figures from 622.1 (Comparison II) reflect an allotment error of a \$165 overissuance. Since the result of Comparison I was less than the result of Comparison II, the \$135 overissuance will be the error reported.

Amount in Error in Item 10 of Form FNS-380-1. If the difference between the two allotment amounts is greater than the current FY error threshold, there is an error in the allotment amount authorized, which must be included in the calculation of the official error rate for the State agency.

The reviewer must use the figures from 622.1 or the figures from 621.1 for column 2. Determine the amount in error. The figures used (622.1 or 621.1) must be whichever figures result in the least quantitative error for the case. The amount in error is the difference between the two allotments. The reviewer must enter Code 2 for “Overissuance”, or Code 3 for “Underissuance”, in Item 8 and the amount in error in Item 10 of Form FNS-380-1.

Example of Using Comparison II figures to determine the error: For the case under review, the figures from 621.1 (Comparison I) reflect an allotment error of a \$140 underissuance. The figures from 622.1 (Comparison II) reflect an allotment error of a \$70 overissuance. Since the result of Comparison II was less than the result of Comparison I, the \$70 overissuance will be the error reported.

623 Notify State Agency of All Errors Found. Information from the QC review cannot be shared until after transmission to FNS. Please refer to [Section 1240](#). It is important that cases are not held longer than is required to complete the review, including any subsequent second-party or supervisory reviews, so errors are not compounded in any single case.

Following transmission, all case errors must be reported to the appropriate offices for corrective action evaluation and planning, regardless of the error amount and whether the error is included in the State’s official error rate. Any QC finding of an overissuance must be reported to the office responsible for claims who will evaluate and address whether the claim will be recouped. Any QC finding of an underissuance must be reported to the office responsible for supplements who will evaluate and address whether a supplement will be issued.

Chapter 7

REVIEW PROCEDURES RELATIVE TO CERTIFICATION SYSTEMS AND CHANGES

700 GENERAL. There are two basic eligibility and budgeting systems - prospective and retrospective. Retrospective eligibility and budgeting systems are used exclusively in monthly reporting systems (see [Section 720](#)).

For QC purposes, the reviewer must determine:

- The rules governing each household's participation in the issuance month in relation to eligibility, budgeting, and reporting requirements; and
- The certification system that determines the period of time for which household circumstances must be verified and when changes must be made effective.

The prospective eligibility and budgeting system uses the same month to determine the eligibility of the household, and to budget the income and deductions used in calculating an allotment. The eligibility worker (EW) examines the household's circumstances, and reviews applicable income and deductions. Using this and other information provided by the client, the EW projects a budget by anticipating the circumstances for the issuance month.

Retrospective eligibility and budgeting use the circumstances, income, and deductions from a specific prior month to determine eligibility and benefit levels. The retrospective budgeting system may be either a one-month or two-month system. The eligibility and budgeting systems may vary based upon characteristics and procedures established by the State. For example, the State may have a two-month retrospective budgeting and prospective eligibility system for households with earned income, and prospective eligibility and budgeting for all other households.

States have the option of counting Temporary Assistance for Needy Families (TANF) income prospectively in an otherwise retrospectively budgeted system. In addition, certain new members may be added under prospective budgeting for several months to an otherwise retrospectively budgeted household.

Another factor to consider in determining the correct system is whether there was a recent change that should have resulted in a household being switched from one system to another. Households that were not certified in the previous month are phased into retrospective budgeting with "beginning" month treatment. This means that prospective budgeting is used for one or two initial months depending on the State's system.

The QC reviewer must use the correct system(s) even if an incorrect system was actually used by the EW to authorize the sample month benefits. In determining the correct system(s), the reviewer must consider:

- SNAP regulations;
- State options;
- Implemented waivers; and
- Individual household circumstances.

Example: A Public Assistance (PA) household with earned income should have been subject to retrospective budgeting for PA and SNAP purposes. It was erroneously certified prospectively for both programs. The QC reviewer must use the retrospective budgeting review procedures.

710 VERIFICATION TIME PERIODS. The procedures in [Sections 711-713](#), specify the time periods for which household circumstances must be verified by the reviewer.

When retrospective budgeting is combined with prospective eligibility, the reviewer must verify income and deduction information for two months, i.e., the budget month and the issuance month. The specific verification standards by element in Chapters 8-11 must be used.

711 Prospective Systems. Determining a household's eligibility prospectively requires the agency to anticipate the household's circumstances for each month of participation based upon existing circumstances that are expected to remain the same. Also include changes in existing circumstances that are reasonably certain to occur. (For further information refer to Definitions and [Sections 221](#) and [222](#).)

711.1 Eligibility. For cases subject to prospective eligibility, the reviewer must verify all elements governing the household's eligibility, [AORD](#). The reviewer must verify actual income and deductions to which the household is entitled to for the budget month. The reviewer must compute an allotment using actual, verified income and deductions to which the household is entitled for the sample month. This figure must include any relevant annualized or prorated amounts, and any applicable standard [i.e., Standard Utility Allowance (SUA), homeless shelter standard, etc.]. As appropriate, the actual, verified income and expenses must be converted when required by State policy. Income or expenses must be converted to a monthly figure as required.

711.2 Benefit Level. For cases subject to prospective budgeting, the reviewer must verify all income and applicable deduction elements governing the household's benefit level for the entire issuance month and use these amounts

(only include allowable deductions) to complete a Comparison I computation per [Section 621](#). If a Comparison II is required see [Section 622](#).

Note: In a prospective system, the budget month and the issuance month are the same.

712 Retrospective Systems. Determining a household's eligibility retrospectively requires the agency to use known circumstances from a previous month. A State may have a one-month or a two-month retrospective system.

712.1 Eligibility. In a retrospective system, a household determined eligible for participation is authorized to receive an allotment for a specific month called the issuance month, or a series of months referred to as the certification period. (Reference Definitions and [Sections 221](#) and [222](#).)

For cases subject to retrospective eligibility, the reviewer must verify all elements governing the household's eligibility, except as otherwise provided in this paragraph, as of the last day of the budget month. The reviewer must verify elements related to residency, Social Security numbers (SSN), work registration, and the transfer of resources AORD. The reviewer must verify income and deductions (when a net income determination is necessary) for the entire budget month.

712.2 Benefits. For cases subject to retrospective budgeting, the reviewer must verify all income and applicable deduction elements governing the household's benefit level for the entire issuance month and use these amounts (only include allowable deductions) to complete a Comparison I computation per [Section 621](#). When a Comparison II computation is applicable the reviewer must verify all income and deduction elements governing the household's benefit level for the entire budget month. The budget month will depend on whether the State policy has a one or two month retrospective budgeting system.

712.3 New Members after the Budget Month. If the household reported that a new member had or would join the household after the budget month, and the State was required to add the person by the review date, the reviewer must verify household composition AORD.

If the new member was required to be added prospectively because the person was not previously participating, the new member's circumstances must be verified AORD. The only exceptions are income and deductions which must be verified for the entire issuance month. If the new member was required to be added retrospectively because the person was previously certified in another household in the previous month, the new member's circumstances must be verified in accordance with [Sections 712.1](#) and [712.2](#).

713 Exceptions for Prospective and Retrospective Systems.

713.1 Prorated Income and Averaged or Prorated Deductions.

When income was or should have been prorated over the budget month and/or month for which eligibility was determined, the reviewer must verify the amount of such income regardless of when it was received. The reviewer must compute a monthly amount using the income and/or deductions verified by the reviewer and use these figures to determine if a corrected EW amount is needed. The same procedure applies to one-time or periodic expenses that were, or should have been, averaged or prorated.

713.2 Variances. The reviewer must verify all information related to variances. This is required in order to establish there was a variance and when it occurred. This means that in some instances information must be verified for months other than the budget and/or issuance month depending on when the error occurred.

For example, for a prospectively budgeted household, if there is a variance between the EW worksheet in effect AORD and the verified sample month information, the reviewer must determine and verify if the variance occurred at the time of certification or subsequent to that time.

713.3 Categorical Eligibility. The reviewer must verify household composition AORD and whether all members were authorized to receive Public Assistance (PA), Supplemental Security Income (SSI), or an appropriate General Assistance (GA) payment in the sample month, or authorized to receive the benefits of a State Program conferring categorical eligibility. This also applies to retrospective eligibility determinations.

713.4 Transitional Benefits. The reviewer must verify the household's eligibility to be certified to receive transitional benefits. This applies whether the household has received benefits under transitional criteria or not. (Refer to [Section 727.](#))

720 REVIEW PROCEDURES RELATIVE TO ALL REPORTING SYSTEMS.

There are several different reporting requirements. Refer to Definitions, [Section 223](#) and link in [Appendix A Placeholder](#). The types of reporting requirements are:

- Change reporting,
 - \$125 Change reporting
 - Status reporting
- Monthly reporting,
- Quarterly reporting,
- Simplified reporting,
 - Periodic report required (certification period of more than 6 months)

- Periodic report not required (certification period of 6 months or less)
- Transitional benefits, or
- Alternatives to these systems approved by waiver or demonstration project.

A household may be subject to one reporting requirement for all elements or different requirements for different elements depending on State options and waivers.

Note: Elderly and/or disabled households are not subject to a gross income test, regardless of the assigned reporting system.

720.1 Reporting Time Frames. The reviewer must 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. Information in which the State agency did not act upon that was allowed to be held until the next required household contact (periodic report or recertification, whichever came first) cannot result in an included variance in the QC error determination.

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. This can be:

- As early as 10 days from the date that the household becomes aware of the change, or
- As late as 10 days from the date the household receives its first paycheck attributable to the change, or
- 10 days before the end of the month of the change or 10 days after the end of the month of the change, depending on the State's option.

The time frames for excluding variances apply to all changes in circumstances unless otherwise specified in Chapters 8-11.

The circumstances as verified by the reviewer for the sample/issuance month, including prorated or averaged income and deductions as appropriate, must be compared to the budget in effect AORD.

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

720.2 Unclear Information. If the State agency received unclear

information about household circumstances during the certification period, the State agency was required to evaluate and act on it, as appropriate, per certification policy requirements. Unclear information is information about household circumstances that the State agency cannot readily determine the effect on the household's continued SNAP eligibility or benefit amount. This includes information that is verified, unverified, from the household, or from a third-party data match. If the State received information that was verified and the effect on the household could be readily determined, then the information was not considered unclear and the State was required to act.

For all households, regardless of the reporting system to which the household is assigned, the State must act to follow up on unclear information by sending a Request for Contact or Notice of Match Results, if the information:

1. Significantly conflicts with the information used to certify the household (meaning the information used to certify may have been incorrect); or
2. Is something the household was required to report based on its assigned reporting system and it was less than 60 days old from the date the information was received; or
3. If the information is from a deceased or prisoner matching system (described by certification policy rules).

If the information did not meet this criteria it was allowed to be held until the next scheduled contact.

720.3 Able-Bodied Adults Without Dependents (ABAWDs).

Households with ABAWDs must report a change in work hours below 20 hours per week, averaged monthly. This applies regardless of the type of reporting system the State agency assigns to potential ABAWDs. See [Section 850.7](#) for ABAWD verification procedures.

720.4 Substantial Lottery and Gambling Winnings. Reviewers must determine whether or not any members of the household received substantial lottery or gambling winnings AORD.

A household's certification period must be terminated following applicable rules (refer to [Section 720.2](#) regarding unclear information) when the household has received substantial lottery or gambling winnings. All SNAP households, no matter the reporting system to which they are assigned, are required to report when they receive substantial lottery or gambling winnings. Substantial lottery or gambling winnings are defined as a cash prize won in a single game, before taxes or other amounts are withheld, equal to or greater than the SNAP resource limit for elderly or disabled households.

State agencies have the option to require these households to report within 10 days of the date the household receives the substantial winnings or, at the State agency's option, within 10 days of the end of the month in which the household received the winnings.

Variations: Any variations resulting from the State agency's improper action or a household's failure to report must be included in the error determination.

- **Substantial winnings received AORD.** If the reviewer determines the household received substantial lottery or gambling winnings AORD, the household must be determined ineligible and the case is in error.
- **Data matches with gaming entities.** State agencies, to the maximum extent practicable; are to establish agreements with gaming entities in order to identify individuals within the State with substantial winnings who are members of a SNAP household. For procedures regarding [data matches](#) and lottery or gambling winnings, see [Section 512.4](#).
- A case in which the household's most recent certification was the next certification after being terminated for receipt of substantial lottery or gambling winnings cannot be categorically eligible. The household is required to meet the allowable financial resources and income eligibility requirements in the Act following a termination for receipt of substantial lottery or gambling winnings.

720.5 Shelter Changes as a Result of a Reported Address

Change. The State agency must investigate and take action on potential changes in shelter costs resulting from a reported address change. The reviewer must include any variations when the agency failed to take actions on potential changes as a result of a reported address change.

Note: If a household fails to provide information regarding the associated changes in shelter costs within 10 days of the report, the State agency should send a notice to the household that their allotment will be recalculated without the deduction. Therefore, QC reviewers must take into consideration the QC review process around correctly disallowed deductions as mentioned in [Section 1113](#).

721 Changes Relative to Appropriate Month. The reporting requirements apply to both prospective and retrospective systems. Based on the household's certification system, the reviewer must relate changes to the appropriate budget and issuance month in which the change occurred or was anticipated to occur.

Example: A change reporting household in a prospective eligibility and two-month retrospective budgeting system reported on June 1 that it anticipated an increase in income in July. The change must be considered in determining the household's eligibility for July. The increase in income would not affect the household's benefit level until July becomes the retrospective budget month in September.

722 Change Reporting - \$125 Change in Earned Income or Change Reporting with Status Reporting. These procedures apply to households that are subject to the change reporting requirements in [Sections 223.2](#) and [223.3](#), and those items that are not included on the monthly report 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 obtain verification and act on known changes, and a minimum 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, must be adjusted by the same number of days.

Example: A State uses a 12-day advance notice of adverse action to be consistent with public assistance. The 30-day period for unreported changes must be changed to 32 days, and the 20-day period for acting on reported changes must be changed to 22 days.

722.1 Changes Prior to the Notice of Eligibility for Initial Certifications.

Initial Month. Initial month means the first month for which the household was certified for participation following any period when the household was not certified.

- Variances that are the result of unreported changes that became known to the household subsequent to the interview must be excluded if the sample month is the initial month.

- Variances that are the result of changes that were voluntarily reported by the household between the time of the interview and the certification action are included variances unless the State had less than 10 days to act on the change; from the date the change is reported until the date the household is certified.

Note: The date the household is certified is the review date if the sample month is the initial month.

Subsequent Months. Unreported changes that became known or occurred between the time of the interview and the date of the notice of eligibility are treated as though they became known to the household on the date of the notice of eligibility.

722.2 Unreported Changes. The following procedures apply to unreported changes under the change reporting requirements.

- Variances must be included in the error determination if the reviewer can establish and document the change occurred and became known to the household more than 30 days prior to the review date.
- Variances must be excluded from the error determination if the variance resulted from changes that became known to the household or occurred 30 days or less prior to the review date.

There are two exceptions:

- 1) In a one-month retrospective budgeting system with either prospective or retrospective eligibility when:
 - The review date is the first day of the issuance month, and
 - The household's issuance is after the 15th day of the issuance month; then
 - Any variances that occurred or became known prior to the 15th day of the budget month must be included in the error determination.
- 2) In a two-month retrospective budgeting system with either prospective or retrospective eligibility when:
 - The review date is the first day of the issuance month, the 30-day period is converted to a month's time for simplicity; therefore,
 - A change that occurred or became known during the budget month must be included.
 - Any variance resulting from a change that occurred or became known to the household in the processing month must be excluded from the error

determination.

See [Section 721](#) for changes relative to the appropriate month.

722.3 Reported Changes. The following procedures apply to reported changes under the change reporting requirements.

When a change in circumstances was reported which the State agency was required to have in effect AORD; any variance(s) resulting from the agency's failure to effect the change AORD must be included in the error determination.

Two-Month Retrospective System. In a two-month retrospective eligibility and/or budgeting system where the review date is the first day of the issuance month, any variance(s):

- Resulting from a change(s) that occurred during the budget month must be included in the error determination.
- Any variance(s) resulting from a change(s) that occurred during the processing month must be excluded.

Note: This does not apply to prospective eligibility.

- **Other:** In systems other than two-month retrospective systems, variances must be included in the error determination as specified below.

1. Variances must be included when the following apply:

- The change would have resulted in an increased allotment,
- The change was reported more than 10 days prior to the review date, and
- An action on the reported change was not pending AORD because the household had not submitted the necessary verification.

Exception: A household may apply for initial benefits after the 15th of the month and receive a combined first and second allotment in the month immediately following the month of application. In this situation, if the month immediately following the month of application is the sample month, the reviewer must exclude from the error determination process any changes occurring in the first month which the State agency is not required to act on for the second month.

2. Variances must be included:

- If the change would have resulted in ineligibility or a decreased

- allotment, and
- it was reported more than 20 days prior to the review date with two exceptions.
 - a. If the notice of adverse action expired during the issuance month (the sample month), and in a prospective system the State agency was not required to make the change until the month following the issuance month, the variance must be excluded, or
 - b. If the notice of adverse action notice expired on a weekend or holiday on which the review date also falls, the 20-day period must be extended by the appropriate number of days.

Additionally, if the review date falls on the day after a weekend or holiday on which the notice expires, the 20-day period must be extended for the appropriate number of days.

For all variances covered by this section: The reviewer must include in the error determination any variance resulting from:

- A change that became known to the household more than 30 days prior to the review date, but
- The change was reported too late for the agency to effect the change AORD.

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. To do this, the State may issue a supplement. (See [Section 233.](#))

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. A variance must be included if:

- The addition of a new member was reported,
- the State agency failed to include the member in the month after the change was reported, and
- verification was 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. In this instance the supplemental allotment (change in regular allotment) itself is not included in the allotment subject to review. If a supplemental allotment (change in regular allotment) was authorized, then no variance for this situation must be cited. However, the new household member, and any income or deductions associated with this person, must be excluded from the remainder of the review. The correctness of the amount authorized in the supplemental (change in regular allotment) is not subject to examination by QC in this situation. If a supplemental allotment (change in regular allotment) is not authorized for the new household member, then a variance for failure to include the new household member must 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 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 must be reviewed as a reported change for QC purposes because the State agency knew about the change.

722.5 Incorrect Action. In all cases, any variance resulting from the agency acting incorrectly must be included in the error determination.

722.6 Notices of Expiration. A household's certification period may have been shortened with a Notice of Expiration because the State agency was unable to obtain sufficient information to act on a change. Any variances in these elements resulting from the change must be excluded if:

- The sample month is the next to the last or the last month of the certification period,
- the household had not refused to cooperate, and
- the household reported the change in a timely manner.

Variances that occurred at the time of certification or recertification, and those resulting from changes reported in an untimely manner, must not be excluded under the provisions of Section 722.6.

723 Monthly Reporting. These procedures apply if the element was subject to monthly reporting (refer to [Section 223.3](#)).

723.1 One-Month System Where the Element was Subject to Monthly Reporting.

Unreported Changes. The following procedures apply to prospective eligibility, and/or prospective budgeting, when new members are added under prospective budgeting.

- Any variance in an element that is the result of a change which became known to the household after the budget month must be excluded from the error determination.
- Any variance that is a result of a change which occurred during the budget month must be included in the error determination. This includes when the reviewer can establish the household was aware of a change.

The following procedures apply to retrospective eligibility and/or retrospective budgeting.

- Any variance in an element that is the result of a change that occurred in the budget month must be included in the error determination.
- Any variance that is the result of a change which occurred after the budget month must be excluded in the error determination.

Exception: When a household applies for initial benefits after the 15th of the month, and receives a combined first and second month allotment, a variance maybe the result of a change that occurred in the budget month. In such situations:

- Any changes occurring in the first month, which the State agency is not required to effect for the second month, must be excluded from the error determination process.

Reported Changes on the Monthly Report. The following procedure applies to prospective eligibility and/or prospective budgeting when new members are added under prospective budgeting.

- A variance that is the result of a change which occurred during the budget month and will continue through the issuance month must be included in the error determination. This includes when the reviewer can establish the household was aware of a change.

The following procedures apply to retrospective eligibility, and/or retrospective budgeting.

- Any variance that is a result of a change that occurred in the budget month

must be included in the error determination.

- Any variance that is the result of the State agency's failure to act on a change that was reported on a monthly report AORD, and was required to be acted upon, must be included in the error determination.

There is an exception when a household applies for initial benefits after the 15th of the month and receives a combined first and second allotment, that a variance may be the result of a change that occurred in the budget month. In such situations, any changes occurring in the first month, which the State agency is not required to act upon for the second month, must be excluded from the error determination process.

New Household Members. If the household reports on the monthly report the addition of a new member in the issuance month, for the budget month, the agency is required to act upon the change in the issuance month (the sample month).

- The reviewer must determine if the issuance month's benefits properly reflect the addition of the new household member(s).
- Any variance must be included in the error determination if it is the result of:
 - The agency's failure to add the new member, or
 - The agency making an incorrect adjustment of the issuance month allotment.

State Agency Action. In all cases, any variance resulting from the agency acting incorrectly must be included in the error determination.

723.2 Two-Month System Where the Element was Subject to Monthly Reporting.

Unreported Changes. The following procedures apply to prospective eligibility, and/or prospective budgeting (when new members are added prospectively under prospective budgeting).

- Any variance in an element that is a result of a change that became known to the household after the budget month must be excluded from the error determination.
- Any variance that is the result of a change which occurred during the budget month must be included in the error determination. This includes when the reviewer can establish the household was aware of a change.

The following procedures apply to retrospective eligibility and/or retrospective

budgeting.

- Any variance that is the result of a change that occurred in the budget month must be included in the error determination.
- Any variance that is the result of the agency's failure to act upon a change reported on the monthly report AORD, that the State agency was required to act upon, must be included in the error determination.

Reported Changes on the Monthly Report. The following procedure applies to prospective eligibility and/or prospective budgeting (when new members are added under prospective budgeting).

- Any variance that is the result of a change which occurred during the budget month and is expected to continue must be included in the error determination. This includes when the reviewer can establish the household was aware of a change.

The following procedures apply to retrospective eligibility and/or retrospective budgeting.

- Any variance that is the result of a change that occurred in the budget month must be included in the error determination.
- Any variance that is the result of a change that occurred after the budget month must be excluded from the error determination.
- Any variance that is the result of the agency's failure to act on a required change that was reported on the monthly report AORD, must be included in the error determination.

New Household Members. If the household member reports on the monthly report (received in the processing month) the addition of a new member (the month before the issuance month), the State agency is required to act upon the change in the issuance month (the sample month).

- The reviewer must determine if the issuance month's benefits properly reflect the addition of the new household member(s).
- Any variance must be included in the error determination if it is the result of:
 - The agency's failure to add the new member, or
 - The agency making an incorrect adjustment of the issuance month's allotment.

State Agency Action. In all cases, any variance resulting from the agency acting incorrectly, or failing to act, must be included in the error determination.

724 Reviewing Prospectively Budgeted Elements/Sources in an Otherwise Retrospectively Budgeted Case. Use these procedures if a State agency has a budgeting system under which an element, or a particular type of source within an element, is budgeted prospectively while other elements/sources are budgeted retrospectively.

Example: A State agency elects to budget TANF income prospectively while all other types of income are budgeted retrospectively.

In this type of situation, the following review procedures apply:

Prospectively Budgeted Elements/Sources.

- These elements/sources must be reviewed in accordance with prospective budgeting procedures. Reference Sections [722](#) and [724.1](#).
- Apply the procedures for reported changes to changes reported by the household, and changes which the State becomes aware of from another source.

Example: A State agency prospectively budgets TANF income, and retrospectively budgets all other sources of income. A change in a TANF grant would be a change that the State agency is aware of since the State agency itself is the source of the TANF income.

Retrospectively Budgeted Elements/Sources.

- These elements/sources must be reviewed in accordance with retrospective budgeting procedures.
- Reference Section [722](#) for change reporting elements/sources.
- Reference Section [723](#) for monthly reporting elements/sources.

724.1 Adding New Members Prospectively to a Retrospectively Budgeted Household. In some cases, new members must be added using prospective eligibility and budgeting while the remainder of the household is retrospectively budgeted.

- This may occur in a two-month system if the new member was not already certified to receive SNAP in another household.
- This may occur in other situations if the State has a waiver.
- The reviewer must determine the number of months a new member is handled prospectively based on the regulations, the State's system(s) and waivers.

- The new member's income and deductions from the issuance month must be added to the other household members' income and deductions from the retrospective budget month to determine the household's allotment.

Verification. See [Section 712.3](#).

Variations. If a new member was reported, the reviewer must determine if the new household member and their circumstances were handled correctly.

- Any variations resulting from the State agency's improper action must be included in the error determination.

If the new member was not reported or change not acted on by the agency, the reviewer must determine whether any variance(s) can be excluded.

- Use monthly reporting procedures in [Section 723](#) for prospective eligibility and prospective budgeting to determine if the variance(s) can be excluded.

725 Quarterly Reporting. The State agency has the option of establishing a quarterly reporting system in lieu of change reporting requirements.

Exception: Households with ABAWDs subject to the time limit, as specified in regulations, must report whenever their work hours fall below 20 hours per week, averaged monthly.

Note: Household member(s) who were not subject to ABAWD reporting requirements at the most recent certification month, but AORD become subject to ABAWD reporting requirements, must be reviewed as an ABAWD from the point in time that the change occurred.

For information on handling unclear information see [Section 720.2](#).

These QC procedures apply for cases subject to quarterly reporting requirements:

- 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](#).
- Correct the worksheet figures for quarterly reporting elements for:
 - Misapplication of policy and computation errors by the eligibility worker, and
 - Incorrect reporting by the household at the time of the quarterly report.
- Use the corrected worksheet figures for quarterly reporting elements in the error determination.

- Use established review procedures for elements on the quarterly report that are voluntarily reported by the household outside the quarterly report.

If the reviewer determines the household's quarterly report is missing, proceed to [Section 751](#).

QC must use the correct system in completing the review of the household's case if:

- A household was subject to quarterly reporting but was not included in the quarterly reporting system, or
- a household was incorrectly included in the quarterly reporting system.

726 Simplified Reporting. The State agency has the option of establishing simplified reporting in lieu of change reporting requirements. Simplified reporting households certified for more than 6 months, except certain elderly or disabled households as described below, must submit a periodic report. In addition, households must also report certain changes outside of the periodic report.

Households in which all adult members are elderly or disabled and have no earned income that are certified for longer than 12 months must submit a periodic report once a year.

Under simplified reporting, households are required to report the following income changes outside of the periodic report:

- Changes that cause the household's actual ongoing total gross monthly income to exceed 130% of the poverty income guideline for the household size, or
- Changes that cause the household's actual ongoing total gross monthly income to exceed the income limits for the program conferring CE/BBCE, as applicable under State options.

Simplified reporting households must also report the following changes outside of the periodic report:

- **ABAWD Changes:** Households with able bodied adults without dependents that are subject to time-limited participation must report when their average work hours fall below 20 hours per week, averaged monthly. See [Section 720.3](#). QC must use the procedures for evaluating the correctness of Time Limited Participation as specified in [Section 850.7](#).

Note: Household member(s) who were not subject to ABAWD reporting requirements at the most recent certification action, but AORD became

subject to ABAWD reporting requirements must be reviewed as an ABAWD from the point in time the change occurred.

- Receipt of substantial lottery or gambling winnings: Households must report when a member receives substantial lottery or gambling winnings. See [Section 720.4](#).

State agencies have the option to allow households to either report changes within 10 days of the date the change became known to the household, or 10 days of the end of the month in which the change occurred. In other words, States can choose for households to report either 10 days before the end of the month, or 10 days after the end of the month.

Regardless of which option the State chose, it must be applied consistently for all cases.

Variances that occurred prior to or at the time of the certification action to authorize the sample month benefits must be included.

For information on handling unclear information see [Section 720.2](#).

For information on shelter changes as a result of a reported address change see Section [720.5](#).

726.1 Variance Determination Related to Income Changes. The reviewer must complete the [eligibility test](#) as outlined in Chapter 6. If the household is ineligible for any reason other than income, a budget calculation is not required and the entire authorized allotment must be reported as an error. However, when the variance is related to a change in income, the review cannot be stopped without a budget calculation because variances related to income require it.

State Agency Action. In all cases, any variance resulting from the agency acting incorrectly must be included in the error determination.

Below are the steps to follow regarding income changes to determine whether an unreported income change has occurred.

Step 1: Complete the first part of the allotment test as described in [Section 621](#) (Comparison I) using the actual verified sample month income (converted if required per regulation).

The result of this step is compared to the total authorized allotment for the sample month.

- If the result of Comparison I resulted in no difference or a difference below

the error tolerance threshold, no Comparison II is required and the review can be completed as normal without moving on to Step 2.

- If the result of Comparison I resulted in a difference over the error tolerance threshold, a Comparison II budget computation is required. Proceed to Step 2.

Step 2: Determine whether the household was required to report a change in income.

This step is taken prior to the completion of the next allotment test as described in [Section 622](#) (Comparison II) in which the budget month circumstances contain all included variances. In this step, the unconverted total gross income for the sample month is compared to the simplified reporting requirement, which is 130% of the Federal Poverty Limit (FPL) for the household size at time of certification, as per [Chart 1](#) in [Section 726.2](#). The unconverted total gross sample month income is used in this step to compare to the income reporting requirement amount the household was notified of at the time of certification for their household size.

- If the total gross unconverted sample month income does not exceed 130% of FPL, the reviewer is not required to include a reportable income change when completing the Comparison II budget computation and the review can be completed as normal without moving on to Step 3.
- If the total gross unconverted sample month income does exceed 130% of FPL, please move to Step 3.

Note: In this step, the comparison of the unconverted total gross income to the 130% of FPL is not considered a gross income limit test. This is a QC review step to determine whether the household had an income change that was required to be reported under Simplified Reporting.

Step 3: Evaluating Timeframes for When Changes Occurred.

If the sample month was the first or second effective month of an initial certification action, the review procedures in this step must not be undertaken, since there was not sufficient time for the change to have been reported or for the agency to have act upon.

The reviewer must use all includable variances related to all other elements and circumstances in the allotment test calculations and error determination. (See [Section 622](#) for how to complete the Comparison II calculation). Otherwise, the reviewer will proceed as follows:

Comparison to the month immediately prior to the sample month:

As per [Chart 2](#) in [Section 726.2](#), compare the actual verified unconverted income, from the month immediately prior to the sample month, to the gross income

standard for the household.

If the actual verified unconverted income from the month immediately prior to the sample month does not exceed the gross income standard; then the reportable change occurred within the sample month and is excluded from the error determination. The reviewer must use all applicable variances related to all other elements and circumstances in the allotment test calculations and error determination. See [Chapter 622](#) for how to complete the Comparison II calculation.

If the actual verified unconverted income from the month immediately prior to the sample month does exceed the gross income standard proceed to further evaluate whether the change occurred within the timeframes for reporting and acting on changes.

Comparison to the second month prior to the sample month:

As per [Chart 3](#) in [Section 726.2](#), compare the actual verified unconverted income from the second month prior to the sample month to the gross income standard for the household.

- If the actual verified unconverted income from the second month, immediately prior to the sample month, does not exceed the gross income standard, then the reportable change occurred within the month immediately prior to the sample month and is excluded from the error determination. The reviewer must use all includable variances related to all other elements and circumstances in the allotment test calculations and error determination. See [Section 622](#) for how to complete the Comparison II calculation.
- If the actual verified unconverted income from the second month immediately prior to the sample month does exceed the gross income standard, then:
 - The reportable change has occurred outside of the timeframes for reporting and acting on changes, and therefore is considered an includable variance. The reviewer must include the unreported change in the error determination unless the State's policy falls under one of the two exceptions in Step 4 below. The determination on whether the State does or does not fall under one of the exceptions in Step 4 must be clearly documented in the QC review record.

Note: If an exception in Step 4 is applicable, the reviewer must proceed to Step 4.

Step 4: Determination of an exception, which requires the comparison of the third month prior to the sample month. (see [Chart 4](#) in [Section 726.2](#))

Exception 1: 10-day Notice of Adverse Action (NOAA) in State Policy:

Some State agencies have a Notice of Adverse Action (NOAA) that is 10 days.

States have the option to set the reporting requirement for exceeding the 130% reporting requirement to either 10 days before the end of the month or 10 days after the end of the month in which the change occurred.

When the month prior to the sample month contains 30 days or less; the entire month prior to the sample month, and the entire second month prior to the sample month constitute an exclusionary period for QC purposes. The reviewer must determine the actual unconverted income from the 3rd month prior to the sample month in order to make an error determination on whether there is an includable variance due to a required reportable income change.

The following chart has been provided to help identify which sample months are affected by these circumstances that may require the examination of a third month.

Month Prior	Sample Month
February (28 or 29 days)	March
April (30 days)	May
June (30 days)	July
September (30 days)	October
November (30 days)	December

Example: When the review month is July and the unconverted total gross income for the household size at time of certification exceeded 130%, the reviewer must examine the unconverted total gross income for June to determine if the income exceeded 130% and if so, do the same for May. If they both exceed the 130%, April is compared as the third month prior to the sample month because June and May constituted an exclusionary period under this State policy option and QC review exception. **Note:** If either June or May did not exceed 130%, the determination of an unreported change stops there because there is no included reportable income change.

Exception 2: 10+ day Notice of Adverse Action (NOAA) in State Policy:

Some State agencies have a NOAA period of 10+ days. The reporting requirement for exceeding the 130% limit is to report either 10 days before the end of the month or 10 days after the end of the month in which the change occurred.

In these circumstances, the entire month prior to the sample month, and the entire second month prior to the sample month constitute an exclusionary period for QC purposes.

Note: The reviewer is still required to compare the actual verified unconverted

household income from the first and second month prior to the sample month to 130% of the poverty guidelines even though these months fall in the QC exclusionary period. If the actual verified unconverted household income from either the first or second month prior to the sample month does not exceed 130% of the poverty guideline, then this reportable change would be excluded from the error determination. The reviewer must use all applicable includable variances related to all other elements and circumstances in the allotment test calculation and error determination. (See [Section 622](#) for how to complete the Comparison II calculation).

The reviewer must determine the actual unconverted income from the 3rd month immediately prior to the sample month in order to complete the allotment test described in [Section 622](#) and make an error determination.

Note: The following applies in all instances where a third month must be examined:

- If the actual unconverted income from the third month immediately prior to the sample month does not exceed the gross income standard, then:
 - The reportable change occurred within the second month immediately prior to the sample month and would be excluded from the error determination.
 - The reviewer will use the corrected EW amounts for all other elements and circumstances (see [Step 2](#)) in the error determination.
- If the actual unconverted income from the third month immediately prior to the sample month exceeds the gross income standard, then:
 - The reportable change has occurred outside of the timeframes for reporting and acting on changes and must be included in the error determination.

Note: If the benefit calculation results in a zero allotment, the household must not be determined as ineligible. The QC result would be an eligible case, with a zero allotment and reported as containing an overissuance. This is also true for categorically eligible households of three or more.

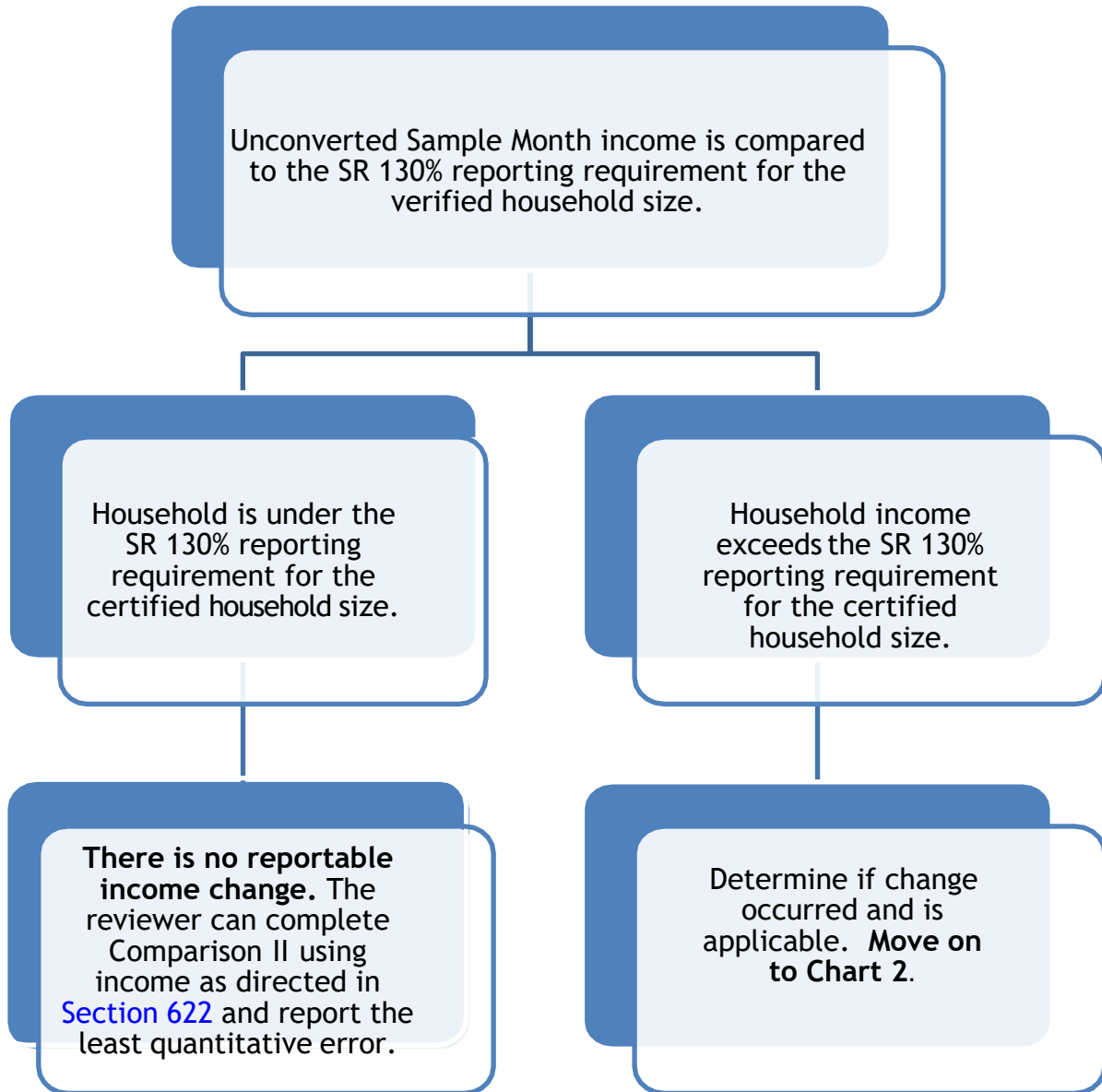
726.2 Simplified Reporting Reportable Income Change Charts.

The charts provided below are visual resources to assist the reviewer in following the steps as described in 726.1. Reminder: when comparing the household income to the Simplified Reporting (SR) limit to determine whether there is a variance, the income is not converted. When completing the allotment comparison budget computations, the income is converted as appropriate based on regulation.

Note: The charts in this Section are only used to determine whether a SR unreported required income change has occurred, after Comparison I has been completed and the comparison to the authorized allotment for the sample month resulted in a variance over tolerance.

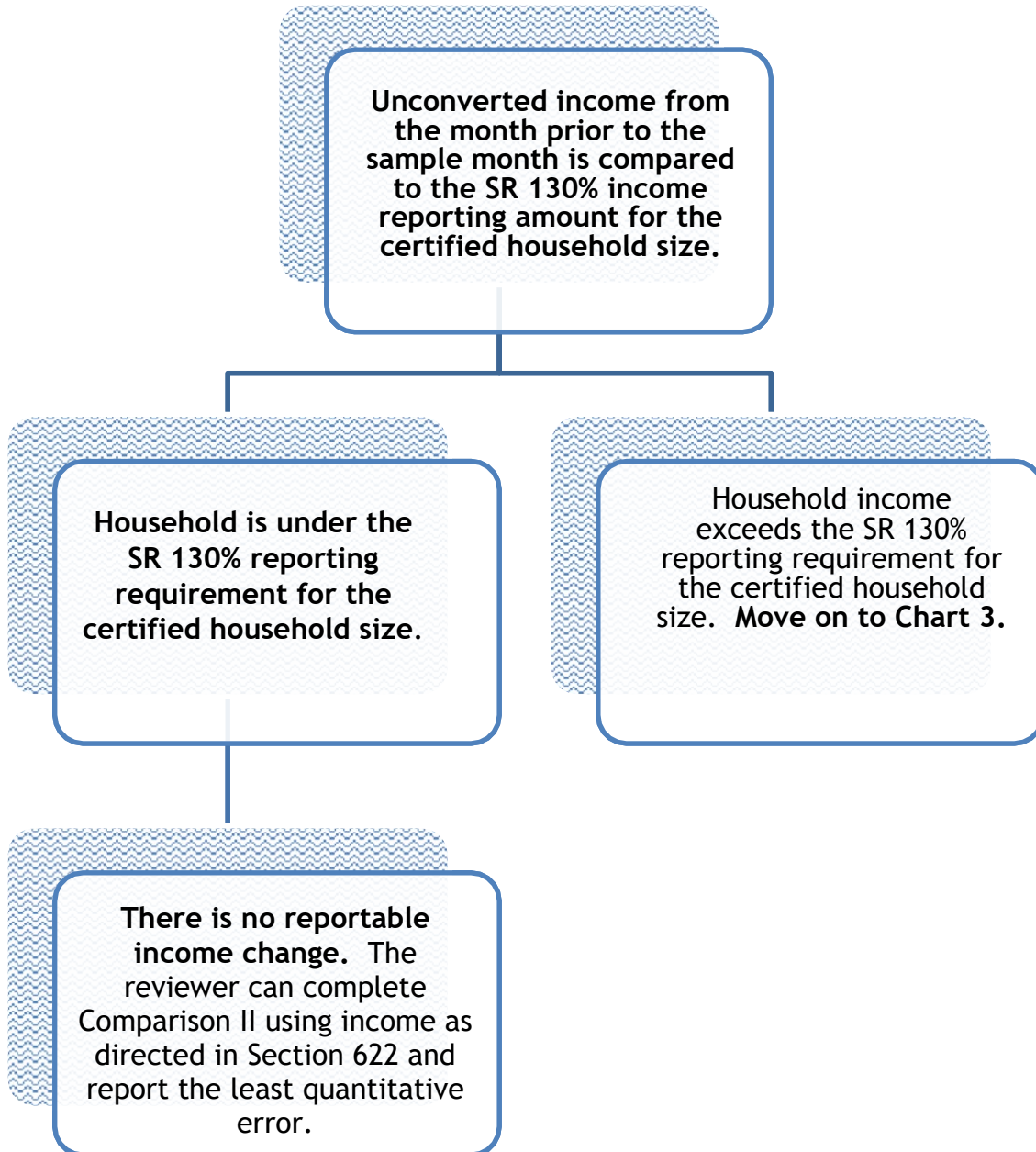
The income is not converted when comparing the household income to the Simplified Reporting (SR) limit.

Chart 1



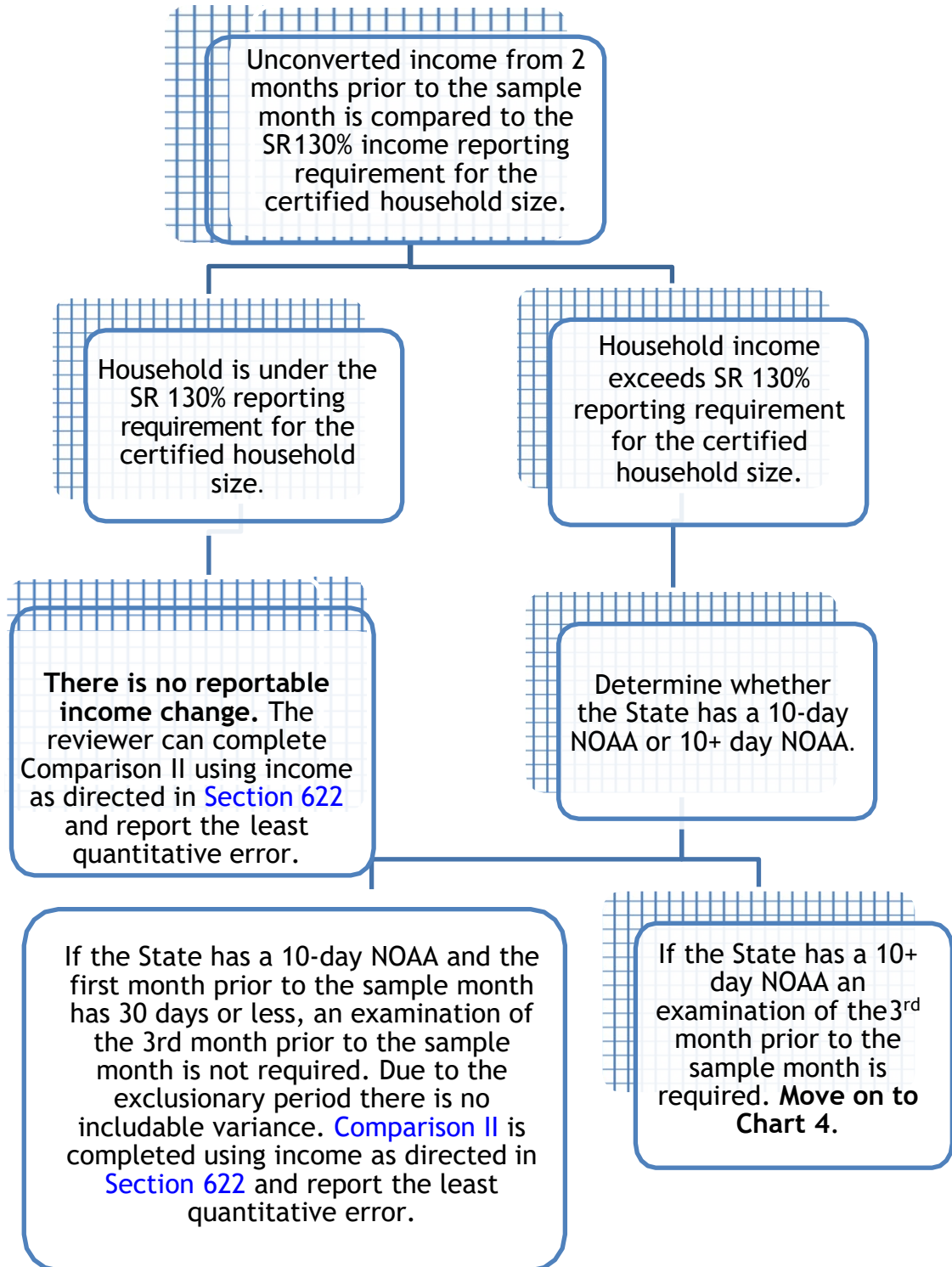
Determine if there was a reportable change by looking at the income for the month prior to the sample month.

Chart 2



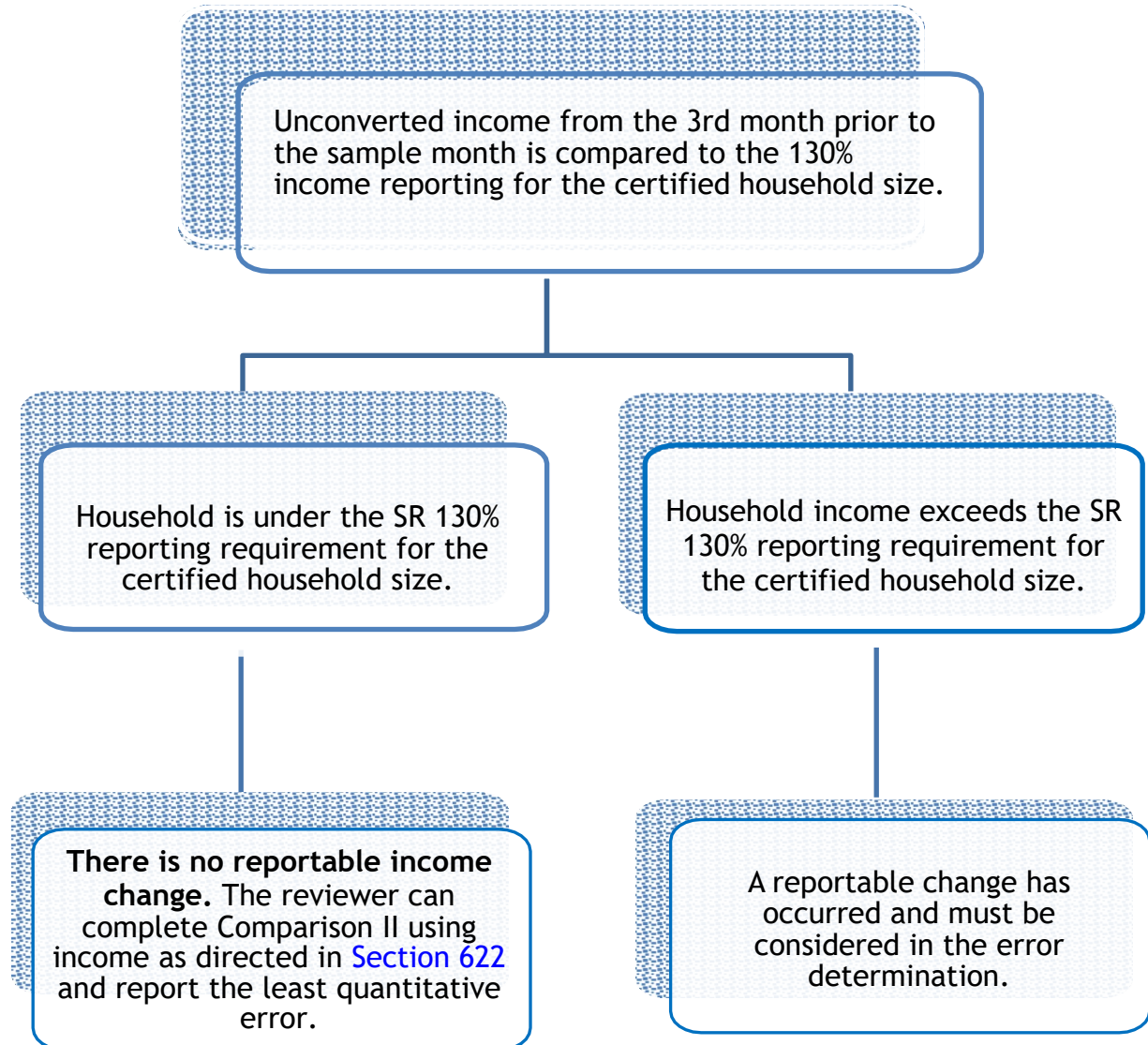
Determine if there was a reportable change by looking at the income two months prior to the sample month.

Chart 3



An examination of the third month is required only when the month prior to the sample month contains 30 days or less, or if the State agency has a Notice of Adverse Action (NOAA) period of 10+ days.

Chart 4



726.3 Simplified Reporting and Categorical Eligibility. States have the option to require income reporting limits in addition to the regulatory 130% income reporting requirement. This means the State can require households to report when their income exceeds the income limit for the other program used to confer CE. If the State has implemented this option, QC must follow the steps outlined in 726.1 to determine whether there has been a reportable change, when that change occurred, and whether there is an includable variance. The steps in 726.1 are replicated by replacing the 130% reporting requirement with the appropriate limit per the State's policy. For example, two commonly used limits are 165% and 200%.

Note: The information in this section is only applicable to households who already exceeded 130% at certification. **Important to remember:** The State option to require an additional income reporting limit does not replace the simplified reporting income reporting requirement but is an option because of expanded categorical eligibility rules.

Note: Categorically eligible households, regardless of how they were granted CE, are not subject to the gross income test. However, the 130% income reporting requirement still applies under simplified reporting rules because the reporting requirement is not a gross income test in this situation. Therefore, the reviewer must follow the steps in 726.1 to determine whether an unreported income change occurred and whether the change must be included.

726.4 Periodic Reports. The simplified reporting rules for households granted a certification period longer than 6 months require a periodic report, unless the household is elderly or disabled. Certification periods for elderly or disabled households can be 24 months and a periodic report will be required every 12 months.

When a periodic report is required, the form must contain questions regarding any changes to the household needed to determine a revised allotment prospectively moving forward. It is important to note these are the change reporting requirements; but simplified reporting regulations require these items also be reported by simplified reporting households on the periodic report, as applicable. This does not make the household subject to change reporting as they are not required to report these changes throughout the lifecycle of the certification, like change reporting households. Agencies are required to act on all reported changes listed on the periodic report or another reporting method.

Note: Any variance in any element resulting from incorrect reporting or agency inaction on reported information on the periodic report, must be included in the error determination. However, if the reviewer determines the household's periodic report is missing, proceed to [Section 751](#).

726.5 Recertification Actions. All SNAP households must recertify in order to continue receiving benefits. Any change that is reported incorrectly by a household assigned simplified reporting, including failing to report their income which exceeds the reporting limit under simplified reporting, is an includable variance for error determination purposes. The same is true for reported changes acted or not acted upon correctly by the State. There is no exclusionary period for income incorrectly reported at the time of recertification. Whether the recertification month is the 1st or 2nd month prior to the sample month, the reviewer must use the unreported income from the recertification in the error determination (Comparison II) without obtaining information for months beyond the 2nd month. QC reviewers do not need to review any month prior to the recertification month to determine whether a reportable change has occurred.

Example: Household is recertified in September. The sample month is October and during the QC interview the reviewer determined there was unreported income during the recertification month. The household was required to report the income at the time of recertification. Therefore, if a Comparison II calculation is required, the unreported income must be included as a variance.

726.6 Other Changes the Agency is Required to Act on in Simplified Reporting Outside of the Periodic Report. QC must apply regulations and State options where applicable to include variances when the State agency is required to act.

State agencies must act when a household reports a change in their ABAWD hours, receives substantial lottery or gambling winnings, or their income exceeds 130%. However, State agencies are not required to act if the household reports a change for another public assistance program in which it is participating, and the change does not trigger action in that other program but results in a decrease in the household's SNAP benefit. State agencies must act on all other changes reported by a household outside of a periodic report according to one of the following two methods:

1. Any reported changes to determine if the change affects the household's eligibility or allotment in accordance with the regulations regarding State agency actions on changes, or
2. Action only on changes that cause a decrease when one of the following has occurred:
 - a. The household has voluntarily requested their case be closed.
 - b. The State agency has information about the household's circumstances considered verified upon receipt.
 - c. A household member has been identified as a fleeing felon, or probation

- or parole violator.
- d. There has been a change to the household's PA grant, or GA grant in project areas where GA and SNAP are jointly processed.

726.7 Income Exceeds Certified Household's Required Income Reporting Limit Due to a New Household Member(s) with Income

AORD. This section provides review instructions for instances when a reviewer discovers the household's income has exceeded the required income reporting limit due to a new household member, and that income change was unreported. The required income reporting limit is the limit assigned to the household size at certification and is either 130% FPL or the income limit under State policy for categorical eligibility.

For information on variances associated with incorrect reporting of household composition on the periodic report and at recertification, see [Sections 726.4 and 726.5](#).

When a reviewer discovers the household's income has exceeded the required income reporting limit due to a new household member, and that income change was unreported, the reviewer must follow the steps below.

Step 1. Complete Comparison I. The QC reviewer must complete Comparison I as normal including all mandatory household members AORD. All verified income and eligible deductions for the sample month must be included in the budget calculation and compared to the allotment authorized for the sample month (please see [Section 621](#)).

- **No error or error under tolerance threshold:** If the result between Comparison I and the authorized allotment for the sample month results in no error or an error under the threshold, the review is complete, and the result is reported on the FNS-380-1.
- **Error over the tolerance threshold:** If Comparison I results in an error over the tolerance threshold, proceed to Step 2.

Step 2. Determine Total Combined and Unconverted Income. The QC reviewer must determine whether the total combined and unconverted income, including the new member's income, for the sample month exceeds the income reporting limit (130%) for the household size at the time of certification, without including the new member in the household size.

- If the total unconverted income for the sample month does not exceed 130% for the certified household size, there is no reportable change and the reviewer must complete Comparison II to include or exclude the new household member as appropriate based on the State's policy options for the change in household size and income while also including all other variances.

- If the total unconverted income for the sample month does exceed 130% for the certified household size, the QC reviewer must proceed to Step 3.

Step 3. Determine whether there is a required reportable change and when that change occurred (please see [Section 726.1](#)).

- If the QC reviewer determines no reportable change occurred, then Comparison II is completed using the certified household size excluding the new member and their income, as neither change was required to be reported. However, all other corrections identified for includable variances must be used (see [Section 622](#)).
- If the QC reviewer determines there was a reportable change due to the income of the new household member, the QC reviewer must include the new household member in Comparison II. To complete Comparison II, the QC reviewer is required to verify any deductions that pertain to the new household member in the month the household was required to report the income. If the household had correctly reported the income change, the agency would have been required to act on the reported change and add the person, their income, and deductions to the case. The household member, their converted income, and all allowable deductions must be included in the Comparison II calculation. Once the comparison to the authorized allotment has been made, the lesser error between Comparison I and Comparison II is to be reported on the FNS-380-1.

Note: If the final result is a zero benefit, QC cannot cite the case as totally ineligible and stop the review; instead the result would be reported as a total over issuance.

727 Transitional Benefits. Transitional benefits are an option a State may choose to provide to households when they leave TANF or to households with children leaving an eligible State-funded cash assistance program (SFCA). The TANF or SFCA case must be closed prior to the household's receipt of transitional benefits. When providing transitional benefits, the State determines which types of households will receive the transitional benefit, such as:

- Households in which all members were in receipt of TANF benefits,
- Households containing a mix of TANF recipients and members who are not receiving TANF benefits, and
- Households with children receiving SFCA.

If a State chooses to provide transitional benefits:

- A household may receive the benefits for a period of no more than 5 months after leaving the TANF/SFCA program;
- The eligibility worker must recalculate the household's SNAP allotment by removing the TANF/SFCA benefits to determine the household's transitional benefit; and
- 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. The State may opt to consider changes in circumstances it learns from another program in which the household participates.

In addition, in order to prevent duplicate participation, States must act when a household member leaves a transitional benefit household and joins another SNAP household.

Focus of the QC Review for Transitional Benefits. 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. Refer to Section 727.2.

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/SFCA cash assistance because of a sanction.
- The household was disqualified from SNAP.
- The household is once again receiving TANF/SFCA benefits.
- The household is in a category of households designated by the State agency as ineligible for transitional benefits.

QC must use standard review procedures rather than the review procedures for transitional benefits specified in this section if:

- QC verifies that any of the above conditions apply, or
- The transitional period was longer than allowable.

Note: If the eligibility worker failed to establish transitional benefits for a household that should have been receiving transitional benefits, the case must be reviewed using 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 under two circumstances:

1. Based on information reported from another program in which the household participates, if the State agency opted to act on these changes, and
2. The State agency has become aware that a household member transferred to another SNAP household. The State agency must act on this change in order to avoid duplicate participation.

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 AORD; then the reviewer must determine the correctness of the new transitional benefit (See [Section 727.3](#)).
- If the eligibility worker failed to change the authorized transitional benefits as the result of such a change, and the change should have been in effect AORD; then a variance exists.
- QC must complete the error determination using the corrected 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.
- QC must complete the error determination using the corrected 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.

- The person leaving (along with that person's income and deductible expenses) must be removed from the transitional benefit household.

If the eligibility worker failed to change the authorized transitional benefits as the

result of duplicate participation, and that change should have been in effect AORD; then a variance exists.

- The reviewer must complete the error determination using the corrected amounts from the time of the change.

If the eligibility worker changed the authorized transitional benefits as the result of duplicate participation, and the action is in effect AORD; 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.

Note: The procedures for when the State has chosen the option to act on changes must also be followed in situations when a household member leaves a transitional benefit household and joins another SNAP household.

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:

Allotment Test Comparison I is not done first in this process.

Using the steps below, if the transitional benefit is correctly calculated, the review process is minimized by eliminating verification of the sample month circumstances.

Step 1: Determine whether the household is eligible to receive transitional benefits.

Step 2: Determine whether the transitional benefit amount was correct based on the SNAP allotment authorized prior to the calculation of the transitional benefit.

- Use the SNAP benefits for the last month TANF/SFCA benefits were received, then
- Subtract the TANF/SFCA benefit, then
- Recalculate the SNAP benefits.
 - If there is not a difference greater than the current FY error threshold, the case is correct and the QC review process is over, or If there is a difference greater than the current FY error threshold, go to **Step 3:**

Step 3: Verify the sample month's amounts and circumstances. Calculate a benefit

amount based upon the sample month circumstances and compare to the allotment actually received.

Note: This step is similar to Comparison I in the QC review process and provides the State a second opportunity to have a correct case.

- If the difference is less than or equal to the current FY error threshold, the error is not included in the calculation of the official error rate for the State agency and the QC review process is over.
- If the difference is greater than the current FY error threshold, the error is included in the calculation of the official error rate for the State agency.

Important: Record the lesser error 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, or a household member leaves a transitional benefit household and joins another SNAP household:

Allotment Test Comparison I is not done first in this process.

Note: Using the steps below, if the transitional benefit is correctly calculated, the QC review process is minimized by eliminating verification of the sample month circumstances.

Step 1: Determine whether the household is eligible to receive transitional benefits.

Step 2: Determine if any changes occurred that were required to be included in the transitional benefit calculation because:

- They were reported to another Program and acted upon, or
- A household member left the transitional benefit household and joined another SNAP household.

Step 3: Determine whether the transitional benefit amount was correct.

- Use the SNAP benefits for the last month TANF/SFCA benefits were received, then
- Subtract the TANF/SFCA benefit, then
- Account for any changes that should have been made, then
- Recalculate the SNAP benefits.
 - If the difference is less than or equal to the current FY error threshold, the error is not included in the calculation of the official error rate for the State agency and the QC review process is over, or

- If the difference is greater than the current FY error threshold, go to Step 4.

Step 4: Verify the sample month’s amounts and circumstances. Calculate a benefit amount based upon the sample month circumstances and compare to the allotment actually received.

Note: This step is similar to Comparison I in the QC review process and provides the State a second opportunity to have a correct case.

- If the difference is less than or equal to the current FY error threshold, the error is not included in the calculation of the official error rate for the State agency and the QC review process is over, or
- If the difference is greater than the current FY error threshold, the error is included in the calculation of the official error rate for the State agency.

Important: Use the lesser error amount from either Step 3 or Step 4.

730 BEGINNING MONTHS. Households, otherwise subject to retrospective budgeting, are certified under prospective eligibility and budgeting during “beginning” months.

- The first beginning month cannot follow any month in which the household was previously certified.
- QC must determine which households are eligible for beginning month treatment and if the State had one or two beginning months.

731 Verification Time Periods. Households entitled to “beginning month” treatment are subject to prospective eligibility and benefits. QC must verify household circumstances AORD, except for income and deductions which must be verified for the entire issuance month.

- Monthly income may be averaged or converted during beginning months.

732 Changes. Beginning month treatment does not affect the household’s reporting requirements unless the State has a waiver. Therefore, the following procedures apply.

732.1 Elements Subject to the Change Reporting Requirements. Use the change reporting procedures in [Section 722](#).

732.2 Elements Subject to the Monthly Reporting Requirements. This section applies the monthly reporting requirements to prospective budgeting for beginning months.

- **First Beginning Month.** When the sample month is the first beginning month, all unreported changes that became known to the household after the interview are excluded.
- **Second Beginning Month.** When the sample month is the second beginning month, use the following procedures:
 - A. **One-Month System.** Any unreported changes that occurred or became known to the household prior to the budget month and will continue through the budget month must be included in the error determination. Exception: When a household applies for initial benefits after the 15th of the month, and receives a combined first and second allotment, a variance may be the result of a change that occurred in the budget month. In such situations, any changes that occurred or became known during the budget month must be excluded from the error determination process. For reported changes, use the procedures in [Section 723.1](#).
 - B. **Two-Month System.** For the second beginning month, all unreported changes that became known to the household after the interview must be excluded. Variances resulting from changes that occurred or became known to the household prior to that time must be included. If a household applies in one month, but is not interviewed until the following month, the first monthly report will not be due until the third month.

In such cases, the missing report review procedures in [Section 751](#) must not apply for the first three months.

740 MASS CHANGES. Certain changes initiated by the State or Federal government which may affect the entire caseload or significant portions of the caseload. These include changes in the eligibility and benefit criteria based on legislative or regulatory changes.

741 General. State agencies are required to change the benefit level of individual households when certain Federal and State agency changes are made which affect the entire SNAP caseload or a significant portion of the caseload.

Individual notices of adverse action cannot be sent for these changes.

Variances must be included in the error determination when they result from:

- Untimely implementation as defined by certification requirements, or
- Incorrect implementation.

741.1 Regulatory Changes. When Federal SNAP regulations are changed, the implementation dates are specified in the regulations.

- For prospective eligibility and prospective allotments, the implementation date is specified in the regulations.
- For retrospective eligibility and retrospective allotments, the implementation date is the first budget month that includes the implementation date.

Example: If the implementation date for a new regulation is January 1, the first allotment in a two-month, retrospective system is the March allotment.

This policy applies to all Federal SNAP changes unless otherwise specifically stated in the regulations except for adjustments to:

- Eligibility standards,
- allotments, and
- deductions that go into effect for all households at the same time.

See instructions in [Section 741.2](#).

Variances must be included in the error determination if they are a result of:

- Untimely application of changes as a result of a revision to regulations, in accordance with certification requirements, or
- incorrect implementation.

See [Section 756](#) for instructions regarding the 120-day variance exclusion period.

741.2 Periodic SNAP Adjustments. Federal adjustments to the eligibility standards, allotments, and deductions and any annual seasonal State adjustments to utility standards go into effect prospectively for all households at a specific point in time.

Variances must be included in the error determination that result from:

- Untimely implementation as defined by certification requirements, or
- Incorrect implementation.

741.3 PA Changes. The State agency must change SNAP benefits in the same month as the PA change when it has at least 30 days advance knowledge of the amount of overall adjustments to PA payments. If the State agency has less time, it is required to make the SNAP change no later than the month following the

PA change.

Variances that result from untimely processing, in accordance with certification requirements, or incorrect processing of SNAP changes must be included in the error determination.

This section also applies to GA mass changes if the State agency administers the GA program.

741.4 Social Security and Other Federal Mass Changes. State agencies are required to make SNAP changes to reflect cost-of-living adjustments (COLAs) and any other mass changes under Retirement, Survivors, and Disability Income (RSDI); Supplemental Security Income (SSI); veterans assistance under Title 38 of the United States Code; the Black Lung Program; and any other Federal programs when information on COLAs is readily available and applicable to all or a majority of those programs' beneficiaries.

The State agency is required to automatically adjust the SNAP benefit level for households affected by these mass changes. Variances resulting from untimely processing, in accordance with certification requirements, or incorrect processing of SNAP changes must 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 SNAP change must be made no later than the second allotment after the change in income became effective.

For retrospectively budgeted households, the change must not be made prior to the first budget month it became effective. Refer to [Section 723](#) on monthly reporting to determine which variances to include.

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.

750 OTHER INCLUDED AND EXCLUDED VARIANCES. Refer to [Chapter 6](#) for the error determination process, Chapters 8-11 for errors by specific element.

751 Missing Mandatory Report Forms. Households certified under quarterly, monthly, or simplified reporting (when certified for longer than six months) must file a complete mandatory report to continue receiving SNAP benefits, unless exempt. The State is required to terminate any SNAP household that fails to file a mandatory report form, or files an incomplete form, following adequate timely notice. The reviewer must determine if the household failed to return the report or returned an incomplete report, if the State failed to send the

report, or if the report was returned and is missing. The reviewer must document the FNS-380 worksheet with the case circumstances, and documentation must clearly indicate which situation is applicable and how this was determined. Review procedures used will depend upon the following situations:

Household Fails to File a Mandatory Report Form or Submits an Incomplete Form: If a household failed to file a mandatory report or returned an incomplete report, then the reviewer must determine the household ineligible. The determination of whether a report form is incomplete is based on the design of the form and whether the area(s) determined incomplete were required by Federal SNAP policy.

State Fails to Send a Mandatory Report Form: If a State failed to send a mandatory report form and continued to provide benefits to a household without requiring the mandatory report, an error has occurred, and the household must be determined ineligible for purposes of the QC review.

Mandatory Report Form is Returned but Missing: If a household returned the mandatory report form, but it is missing:

- The reviewer must verify the household circumstances for the missing report. Verified sample month circumstances must be compared to the information gathered for the missing report. If the difference in the allotment exceeds the error threshold, Comparison II will be examined using actual verified circumstances from the missing report.
- Variances that result when there is a missing report must be included in the error determination, except specific variances described in [Sections 754-757](#).

752 Expired Certification Periods. When the household receiving benefits does not have an active certification period AORD and/or did not file a recertification application to authorize ongoing benefits, the reviewer must document the circumstances of the case and determine the household ineligible.

Documentation must include:

- Whether the State sent all required recertification documents and followed required processes.
- The household's compliance with recertification requirements.
- Whether the household contacted the agency regarding the recertification.
- How the household continued to receive benefits beyond the certification period.

Note: This section does not apply when the recertification application was filed in the 30 days following the end of certification, and the household was not authorized benefits until the application was processed. In that case, the review must be completed based on the late recertification application and certification action.

Note: If the household's signature is missing from the recertification application, the review procedures in Section 752 do not apply. The reviewer must, however, notify the local office of the procedural deficiency so appropriate action is taken.

753 Expedited Service. For expedited service cases, variances in elements for which verification was postponed are excluded provided the household's identity was verified and the verifications that were postponed were documented at the time of the expedited certification. Correctly postponed elements need not be verified by the reviewer.

Variances are excluded only for the verification that was postponed and the exclusion only applies to households in the sample month that were:

- Correctly processed under the procedures for expedited service, and
- entitled to expedited services (based on the application and, if applicable, the household's declaration during the interview).

Note: The exclusion of a variance does not apply if the certification record lacks sufficient documentation for the reviewer to determine the element was postponed under expedited procedures.

753.1 Documentation Requirements.

- Explain how QC determined the case was eligible for expedited services;
- Document the month(s) expedited service covers;
- Document the elements of eligibility of postponed verification and what verification was postponed according to the documentation in the certification case file; and
- Clear any discrepancies between determination of eligibility for expedited services based on the application and, when applicable, the household's declaration during the interview.

753.2 Exclusion Applied to First and Second Month Issuance.

The provision that variances will be excluded in elements for which verification was postponed normally is applicable only to the first month's issuance. However, in some situations, the household applies after the 15th of the month and is entitled to both expedited service and waived verification for the first and second months' benefits. In such situations, the variance exclusion provisions of this section apply to appropriate elements for both of those months.

753.3 Determinations Made After Application. In some circumstances, a household may not be determined eligible for expedited service at the time of application, but later determined eligible during the interview. The provisions in this section apply, provided the cause for the change in expedited determination is based on one of the following reasons:

- The household was not determined eligible for expedited service at the time of application due to insufficient information on the application to make that determination, or
- The household's circumstances changed between the time of application and the time of the interview such that the household became eligible for expedited service after the application was submitted.

Note: If the household's application was incorrectly screened as eligible for expedited service and later the eligibility worker determined at the interview they were not, the case must be reviewed according to the standard 30-day processing timeframe.

754 Information from a Federal Source. Any variance resulting from the State agency's use of inaccurate information provided by a Federal source is excluded provided that such information was processed correctly by the State agency. An appropriate Federal source is one which verifies: Income the source provides directly to the household; deductible expenses for which it directly bills the household; or other household circumstances which it is responsible for defining or establishing. To meet the provisions for correct processing, the eligibility worker must have appropriately acted on timely information. In order to be timely, information must be the most current that was available to the State agency at the time of the eligibility worker's action.

755 SAVE. Two variances relating to the Systematic Alien Verification for Entitlements (SAVE) program are excluded.

A variance based on a verification of non-citizen documentation by the US Citizenship and Immigration Service (USCIS) if the State agency properly used SAVE and the case record contains that documentation with the following items:

- The non-citizen's name,
- the non-citizen's status, and
- either the Alien Status Verification Index (ASVI) Query Verification Number or the USCIS screen print from the electronic SAVE system, as annotated by USCIS.

A variance based on the State agency's wait for the response of USCIS to the State agency's request for official verification of the non-citizen's documentation if the State agency properly used SAVE and the case record contains that documentation

with either:

- The date of request if the State agency was waiting for an automated response, or
- The USCIS screen print from the electronic SAVE system, as annotated by USCIS, if the State agency was waiting for secondary verification from USCIS.

756 Application of New SNAP Regulations or Laws. When a 120-day variance exclusion period is granted for implementation of new SNAP regulations or laws, the reviewer will exclude variances resulting from mistakes made based on the implementation of that new SNAP Federal regulation or law during the 120-day exclusionary period. The 120-day variance exclusion period only applies when the State agency implements the change(s) resulting from the new regulation or law in a timely manner and in accordance with the provisions of the new regulation or law.

757 Federal Written Policy. The reviewer will exclude variances resulting from incorrect written policy that a State agency acts on that is provided by a USDA employee authorized to issue SNAP Policy and that the State agency correctly applies. For purposes of this section, written Federal policy includes regulations, notices, handbooks, FNS-signed policy memoranda, and a letter from FNS to a State agency which contains comments on the State agency's SNAP manual or instructions.

Chapter 8

NON-FINANCIAL ELIGIBILITY CRITERIA

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

810 AGE AND SCHOOL ATTENDANCE.

811 Age - 110. Age may be verified for all household members. Age must be verified when eligibility and/or allotment are affected. For example, students under 18 years of age with earned income, or persons age 60 and over with medical expenses or resources.

811.1 Standard Verification.

- Birth certificate
- Adoption papers or records
- Hospital or clinic records
- Church records
- Baptismal certificate
- Bureau of Vital Statistics
- U.S. passport
- Family Bible records
- Indian census records
- Workforce Innovation and Opportunity Act (WIOA) of 1998 document assigning to or placing in an institution of higher learning
- Social Security records
- Military records
- School records, or a statement signed by school authorities
- Census records
- Driver's license
- Court support order
- Juvenile court records
- Child welfare records
- State issued identification

812 School Enrollment. School enrollment must be verified for children under 18 who have earned income. School enrollment is also verified with respect to household members who are 18 and over, but under 50 and enrolled in post-secondary, vocational, trade, etc., schools; and to "students" as defined by SNAP who are enrolled in institutions of higher education.

When the head of household declares a child under 18 with earned income is not attending school, their declaration on school attendance does not need to be verified. The earnings of that child, however, must be verified and budgeted in accordance with procedures in [Chapter 10](#).

812.1 Student Status - 111. A person enrolled at least half-time in an institution of higher education is not eligible to participate in the SNAP unless the person meets certain eligibility criteria. If a household member claims to be a student enrolled in an institution of higher education and it is evident that they would otherwise meet a student exemption, then QC is not required to verify school enrollment. This is applicable to exemptions such as, but not limited to, working 20 hours or having a child under age 6.

Note: If student status is not required to be verified because of an exemption, the State must still verify all other aspects of the household's circumstances, as indicated, including all countable income (including income from financial aid) and deductions.

The enrollment status begins on the first day of the school term. Enrollment is deemed to continue through normal periods of class attendance, vacation and recess unless the person:

- Graduates
- Is suspended or expelled
- Drops out, or
- Does not intend to enroll for the next normal school term (excluding summer school)

812.2 Standard Verification. A statement signed or issued by school authorities.

820 CITIZENSHIP AND NON-CITIZEN STATUS - 130. Only citizens and certain legal non-citizens are eligible to participate in SNAP.

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

821.1 Standard Verification.

- Birth certificate
- Naturalization papers from the United States Citizenship and Immigration Services (USCIS) such as USCIS 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 is available and the household can provide a reasonable explanation why verification is not available, the reviewer may 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 must contain a warning of the penalties for helping someone commit fraud, such as, “If you intentionally give false information to help this person receive SNAP benefits, you may be fined, imprisoned, or both.”

822 Non-Citizen Status. If a household member is not a citizen or if the citizenship status of the household member is unclear, the reviewer must verify non-citizen status.

SNAP rules allow non-citizens to declare themselves as “non-applicants” during the application process. The income and resources of the non-applicant is used in determining the eligibility and benefit level for the remaining members of the household but the non-applicant does not need to provide a SSN, citizenship, or immigration status information since those individuals are not receiving benefits.

There are different ways that a non-citizen may participate in SNAP.

1. Some individuals are eligible without a waiting period:
 - American Indians born outside the US
 - Hmong or Highland Laotian, spouses, and dependent children
 - Refugees
 - Victims of severe trafficking
 - Asylees or Deportation Withheld
 - Amerasians
 - Cuban and Haitian entrants
 - Iraqi and Afghan special immigrants
2. There are other individuals who must be both qualified and meet one additional eligibility condition:
 - Qualified:
 - Lawfully admitted for permanent residence
 - Paroled into US for at least 1 year

- Granted conditional entry
- Battered non-citizens (certain conditions apply)
- Eligibility conditions:
 - Residing as a qualified non-citizen in the US for at least 5 years
 - 40 quarters of coverage by Social Security Administration (SSA)
 - US military connection
 - Honorably discharged veteran
 - Active duty
 - Spouse/dependent of a veteran or active duty
- Lawfully residing in the US and at least one of the following:
 - Receiving assistance for the blind or disabled
 - Residing in the US on 8-22-1996, and born on or before 8-22-1931
 - Now under 18 years old

Verification of qualifying status and eligibility are done following certification guidelines. In the case of immigrant status, use only USCIS 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 meet a condition for participation in the program as a result of veteran 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 meet a condition for participation in SNAP as a result of 40 qualifying quarters of work, the reviewer must verify the eligibility of the individual(s) through information from SSA records made available to the State agency, or through employer work records. Reviewers are not required to reverify 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.

822.1 Reviewer Contact with USCIS. Only USCIS documentation is acceptable. If verification in the case record is not adequate and the non-citizen is unable to provide USCIS documentation, the reviewer must obtain verification using the Systematic Alien Verification for Entitlements (SAVE) match. Reviewers must also pursue additional verification when the SAVE match indicates this step is needed to obtain verification. If verification of eligible non-citizen status is not provided and not available, the non-citizen must be considered ineligible.

822.2 Variances. A case must be reported as containing a client-caused variance if the reviewer determines:

- A household member(s) reported to be a U.S. citizen or an eligible non-citizen is actually not a citizen or is an ineligible non-citizen.

A case must be reported as containing an agency-caused variance if the reviewer determines:

- The agency had information of the status of the household member(s) as non-citizen(s) that did not meet the criteria of any of the classes eligible for participation in SNAP, and failed to take appropriate action to remove the individual(s), or
- the eligibility worker failed to verify the eligibility status of a non-citizen, as required, and the non-citizen is ineligible for SNAP.

In making the error determination, the reviewer must exclude the ineligible member(s) in determining SNAP benefits for the sample month. The income and resources of any ineligible member(s) must be handled in accordance with certification policy.

In addition, if the reviewer determines that any eligible non-citizen(s) has been improperly excluded from the household, a variance must be cited. The error determination will be completed by including the eligible non-citizen(s) in the household.

Apply appropriate time frames and requirements for reporting and acting on changes in the household circumstances. Deficiencies in this element, other than those referenced above, must not be included in the error determination.

823 Reports Concerning Undocumented Non-Citizens. If the reviewer determines the presence of a person or persons in the household who are not lawfully present in the United States, the reviewer must:

- Determine if USCIS has declined a deportation action, as indicated by documentation in the case record. If there is documentation that USCIS declined deportation, Section 823 does not apply, and this must be documented on the FNS-Form 380.
- Enter this information on the worksheet in Column 3.
- Forward a report to the local agency identifying the undocumented non-citizen as a non-household member.
- Do not contact USCIS regarding information obtained relative to undocumented non-citizens.

830 RESIDENCY - 140. The reviewer must determine whether the household resided in the State or project area as of the review date (AORD). In certain cases, such as homeless households, some migrant farmworker households or households newly arrived in the area, where verification of residency cannot reasonably be accomplished, the reviewer must document they attempted to verify residency and may likely conclude the element. Verifications for other elements can be used to verify residency, like shelter or utility verifications. Verification of residency is not required for categorically eligible (including traditional, narrow, and broad-based categorically eligible) households.

831 Standard Verification. The reviewer may use, but is not limited to, the following:

- Statement from a non-relative landlord
- Rent or mortgage receipt from non-relative landlord showing the address given
- Official records confirming ownership of a house at the address given
- Employer's statement
- List of residents from a responsible official of a drug/alcoholic treatment center or group home who is not the household's authorized representative
- Tax office records
- Post Office records
- Church or synagogue records
- Utility company records or bills
- Signed statement or documented verbal statement from non-relative
- Item of mail with household name and address with postmark or date AORD
- Other property records
- Current driver's license
- Department of Motor Vehicles document(s)
- Voter Registration

832 Resident of Institution. If a household is found to have been a resident of a type of institution which makes the household ineligible, that fact must be documented under this element and also noted under Element 150 - Household Composition. Refer to [Section 842](#) for more information on residents of certain institutions.

Documentation must include the type of institution, name and title of person providing information, institution name, address, phone number, and date of contact.

840 HOUSEHOLD COMPOSITION AND LIVING ARRANGEMENT -

150. The reviewer must determine household composition. This is done by verifying and documenting:

- If any individuals were included in the household who should not have been included or should have been determined an ineligible household member;
- If any individuals were not included in the household who should have been included; and
- Who these individuals were in relation to the household.

This includes household composition with respect to mandatory household members:

- An individual living alone
- An individual living with others, but customarily purchasing and preparing meals for home consumption separate and apart from others
- A group of individuals who live together and customarily purchase and prepare meals together for home consumption

Regardless of whether or not individuals purchase and prepare meals together the following individuals must be included in the same household:

- Spouses
- Persons under age 22 living with their natural or adoptive parent(s) or step-parent(s)
- A child (other than foster child) under the age of 18 living with and under the parental control of a household member other than their parent

Note: Elderly (age 60 or older) or disabled persons living with others but are unable to purchase and prepare separately due to age or disability can be a separate household if the other members have a combined income under 165% of the poverty limit.

Note: For less common situations such as, boarders, individuals in foster care, roomers, live-in attendants, and any other unregulated situations, please refer to Federal and State policy.

841 Method of Verifying Household Composition. Household composition must be established early in the review process to ensure an efficient, effective, and conclusive review. Because household composition is explored early in the interview process, it is presented here as a series of sequential inquiries to guide the reviewer to some of the more common situations affecting household composition. The issues discussed here are not inclusive of all possible issues but provide a framework for the reviewer to follow. Documentation of all household composition agreements and disagreements by the household must be included on

Form FNS-380.

841.1 Reviewer Inquiry about Membership and Obtaining Household Statement. During the interview, the reviewer must:

- Ask the household to state who was in the household AORD,
- ask the household if there were any other household members AORD, and
- ask the relationship or significance among the various individuals in the household AORD.

Based on the results of this inquiry, the reviewer will obtain statements and information from the household that either agrees with or contradicts information discovered during the case record review. The reviewer will first attempt to clarify and resolve discrepancies on household composition with the household before contacting collateral contacts. This is to ensure any discrepancies that cannot be resolved by the household will be addressed with minimal burden on collateral contacts multiple discussions with the same collateral contact. Therefore, the reviewer's actions before contacting collateral contacts will be guided by the household's initial responses as they relate to the case record, which are as follows:

Household Statement Agrees with Case Record. If the household's statement agrees with the case record, the reviewer must:

- Document their statement and obtain the name of a collateral contact the household believes is best able to verify household composition.
- Obtain verification from other collateral contacts if the household cannot provide a collateral contact. The criteria for acceptable collateral contacts for this element is discussed in [Section 841.2](#).
- Possibilities include:
 - Landlords
 - School officials
 - Ministers
 - Physicians
 - Visiting nurses
 - Neighbors

Note: Please refer to [Section 841.4](#) if the reviewer cannot obtain verification or it is inadequate.

Household Statement Disagrees with Case Record. The reviewer must ask about the status of individuals if the household's statement:

- Includes person(s) not listed in the case record as member(s) of the household, or

- does not include person(s) listed in the case record as member(s) of the household.

When the household statement disagrees with the case record, the reviewer must resolve this discrepancy. To do so, the reviewer's actions will depend upon the manner in which the household has responded to the difference in household composition.

- **Additional Members.** When the discrepancy regards an additional household member not found in the case record and the:
 - **Household Acknowledges Other Members.** If the household acknowledges other members, the reviewer must obtain the appropriate information about those individuals and proceed with routine verification using collateral contacts.
 - **Household Denies Any Other Members.** Reviewer action when the household denies there were additional household members depends on whether there is reason to doubt the household's statement.
 - **Reviewer Has No Reason to Doubt Household's Statement.** If the reviewer has no reason to doubt the household's denial of any other members AORD, and there is no evidence to the contrary, then further discussion with the household about this matter is not necessary.
 - **Reviewer Has Reason to Doubt the Household's Statement.** There are several reasons why a reviewer may doubt the household's statement. For example, the reviewer may observe other individuals in the house or evidence of others living there. When a reviewer has reason to doubt a household's denial of others in the household, the reviewer must specifically question the household about this.
- **Unreported Member.** When the discrepancy regards a household member the household asserts should not be included and the:
 - **Household Denies Person Shown in Case Record.** If the household asserts that a person shown in the case record was not a member AORD, the reviewer must obtain and document the household's statement of where the person was AORD.
 - **Household asserts the person was elsewhere.** The reviewer must document and verify household statement using collateral contacts or other evidence.
 - **Household admits person was present but claims they are not a household member.** The reviewer must obtain specific information about the person to determine their status using mandatory household member policy. This should lead to a determination of whether the person was or was not a mandatory

household member (for example, a live-in attendant, boarder, or a member of a group sharing living quarters but not purchasing and preparing food together with that household). The reviewer must document and verify the individual's status as a household or non-household member using collateral contacts.

Household Statement/State QC Reviewer Work Above Does Not Resolve Discrepancy. Any remaining discrepancy must be resolved using collateral contacts as discussed in the following sections. [Section 841.2](#) discusses inquiries to collateral contacts generally, and [Section 841.3](#) discusses ways to deal with discrepancies in household statements and collateral contact statements. [Section 841.4](#) can be applied to accept client statement after steps in 841.2 and 841.3 have been attempted and the results have been documented.

841.2 Reviewer Inquiry to Collateral Contacts About Household Members. After reviewers acquire the household statement on household composition and obtain collateral contact information or identify collateral contacts from the case record or field investigation, they are then required to verify household composition with at least one individual who is not a household member and who does not live with the household.

Standard verification of household composition is information from a collateral contact that positively identifies the household members. The reviewer must ask the collateral contact to specifically name the individuals who live in the household. A list of names of presumed household members must not be provided to the collateral contact for confirmation.

Collateral contacts may state there are additional members in the household other than those the reviewer has already identified during the interview. Whether or not such statements are made, the reviewer must ask collateral contacts if there are any other household members and document the worksheet with the response.

- If the collateral contact's statement of all individuals in the household matches the household composition as stated during the interview, the household composition is considered verified.
- If the collateral contact's statement on household composition does not match the household's statement during the QC interview, the reviewer must document the inconsistency and how they resolved it by following Section 841.3.

841.3 Reviewer Action When Inconsistencies in Information About Household Composition Exist. Inconsistencies between household statement of composition and the case record are discussed in [841.1](#). This section

discusses inconsistencies between statements by collateral contacts and other information, either in the case record or provided by the household.

- **Collateral Contacts Indicate Additional Members** - A collateral contact indicates there was an individual in the household which the household did not claim as a member.
- **Collateral Contacts Indicate a Claimed Household Member Was Not a Member** - A collateral contact indicates an individual whom the household claimed was a household member was not.

If the reviewer discovers inconsistent information about household composition after obtaining statements from the household and collateral contacts, the reviewer must, under most circumstances, attempt to resolve the inconsistency by contacting the household again. In some limited circumstances, it is not necessary to contact the household again. For example, when a minister or physician verifies that a person included as a household member was deceased during the applicable time period.

If, after recontacting the household:

- **Household Agrees with Collateral Contact Verification:** After the reviewer has re-contacted the household and they acknowledge the presence or absence of a member(s) other than previously claimed, the reviewer must proceed with the review using the adjusted household composition.
- **Household Disagrees with Collateral Contact Verification:** When the household maintains their statement is correct and the reviewer does not have strong evidence to the contrary, the reviewer must contact other collateral contacts located in either the case record or provided by the household. If the household and case record do not provide any additional collateral contacts or information that resolves the discrepancy the reviewer must accept client statement, please see [Section 841.4](#).

841.4 Reviewer Action When Verification Is Unobtainable or Inadequate. When the reviewer cannot obtain verification or it is inadequate, either for the entire household or some of its members, the household's statement must be used for household composition.

Note: In all instances in which inconsistencies must be resolved, the reviewer must document all contacts with the household and collaterals as well as the reviewer's reasoning for their final determination on Form FNS-380.

842 Residents of Certain Institutions. When a household member(s)

was a resident of an institution AORD that makes them ineligible, verification must be documented under Element 140 - RESIDENCY please refer to [Section 832](#) for more information. A note also must be made under Element 150 - HOUSEHOLD COMPOSITION. Refer to [Chapter 5](#) for documentation requirements.

843 Error Determination. Most variances in household composition will be handled by simply adding or subtracting the individual(s) and their circumstances from the household.

843.1 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. These procedures do not apply to duplicate participation situations (see [Section 843.2](#)) or situations involving an individual member of a certified household moving in with another separately certified household (see [Section 843.3](#)). This may or may not involve movement of the households.

When consolidating households, an eligibility test for the consolidated household is completed based on the total resources and income. If the consolidated household is eligible, the reviewer will only complete a Comparison I calculation that includes the consolidated authorized benefit amounts, household members, income, and deductions for the sample month.

Note: Although the total amount of SNAP benefits 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 Form FNS-380-1 as the allotment amount.

Example: A mother, her 4 children, and 2 grandchildren live together in the household. The mother and 3 of the children are certified on one SNAP case, and the 4th child, a 21-year-old daughter and her 2 children are certified on a separate SNAP case. Based on certification policy, the 21-year-old and her children should have been certified on the same case as part of her mother's SNAP household.

The procedures in the following order below, apply to whichever household is sampled:

- Consolidate SNAP authorized benefits for all individuals who should have been included in the household for the sample month, by adding the sample month authorization amounts for both cases.
- Complete an eligibility test including the income and resources of all consolidated household members for the sample month.
 - If the household was ineligible, the review stops, and the SNAP

allotment authorized for the case under review is reported as the error. The authorized allotment for the sampled household is reported as ineligible with a total overissuance.

- If the household remains eligible proceed to the next step.
 - Complete a Comparison I calculation for the consolidated household by including all household members and all income and applicable deductions for the sample month.
 - Compare the allotment amount the household should have received based on the completed consolidated Comparison I calculation, to the consolidated total allotment authorized for the sample month.
 - If the difference is less than or equal to the current FY error threshold, the authorized allotment for the case sampled for review, the review finding (correct, overissuance, underissuance, or ineligible) and the error amount (if the case is an error) must be reported. For overissuances and underissuances that are less than or equal to the current FY error threshold, the case will be treated as correct when calculating the State's official error rate. However, the State must report all overissuances and underissuances.
 - If the difference is more than the current FY error threshold, the reviewer must proceed to the next step.
 - Calculate the percentage of the allotment authorized to the case under review to the total issued. (sampled authorized allotment x 100 = ? / consolidated total allotment = ?%)
 - Multiply the amount underissued or overissued by this percentage, rounding the answer down to the nearest whole dollar figure.
 - For the error determination:
 - If the result is less than or equal to the current FY error threshold, the allotment issued to the case under review is reported as not containing an error included in the State's official error rate.
 - If the result is more than the current FY error threshold, the result is reported as the amount in error for the case under review.

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 considering all of the individuals and what benefits they should have received as a single household, the reviewer determines 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

The difference is greater than the current FY error threshold; therefore the reviewer must:

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

$$\$248 \times 100 = 24,800 / \$301 = 82.39\%$$

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

$$\$194 \text{ overissuance} \times 82.39\% = \$159.83 \text{ round down to } \$159$$

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

843.2 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. This 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 must determine which case was the first to be correctly authorized to receive benefits. If that case is sampled it would be correct for this element.

Example of the Review Procedure for Duplicate Participation: 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.

Example: A mother, her 4 children, and 2 grandchildren live together in the household. They are all certified together as one household in January (Case A). A few months later, certified beginning April, the 4th child, a 23-year-old daughter and her 2 children are certified on a separate SNAP case, stating they now purchase and prepare separately (Case B). The sample month is June. If Case A is sampled and the reviewer determines the household did purchase and prepare together at that time; then it is correct for this element because it was first case correctly certified. If Case B is sampled; there is a variance because all members were already included in Case A, and the total allotment issued to the household in Case B is considered an overissuance.

Note: Households on Indian reservations are not eligible to participate in both the Food Distribution Program and SNAP simultaneously. A household that participated in both programs in the sample month is ineligible for SNAP if it was certified for the Food Distribution Program first and the procedures in [Section 843.2](#) do not apply. Refer to [Section 610](#) regarding the eligibility test.

843.3 Transfer/Movement of Individuals Into, Out of, and Between SNAP 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 843.1.](#))

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

Note the following household scenarios:

- If an individual is certified as a one-person household, and moves into another certified household, use review procedures at [Section 843.1](#) or [Section 843.2](#) 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 must 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 must remove the individual(s) from the losing household's budget.
- If an individual moves between two households (separate SNAP cases) and there are issues found in the household that is not under review, those issues must not automatically be applied to the household that is under review. In short, 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. The determination of whether a variance exists depends on whether the case under review is the household gaining or losing the member(s), and whether the change must be effective AORD.

Example: The case under review is a household losing an individual to another participating SNAP household and the transfer should have been made AORD. No variance would exist in the case under review if the individual and their circumstances had been removed from this household, even if the individual was never added to the gaining household's budget.

844 New Members Added to a Retrospectively Budgeted Household - Two-Month System. The following applies when a household reports the addition of an individual during the processing month of a two-month system:

- The agency may have to include the individual(s) and their circumstances in the household's eligibility and allotment determinations for the sample month's issuance even if the change is reported after submission of a monthly report.
- The agency would not include an individual who was already participating as part of another household in the sample month.
- If the agency failed to make a required change, the variance is included in the error determination.
- If a new member was not certified for SNAP prior to joining a retrospectively budgeted SNAP household, the new member must be added using prospective eligibility and budgeting procedures for the new member.
- Household composition must be determined prospectively, and the new member's circumstances must be determined prospectively and added to the household's prospective or retrospective circumstances depending upon whether the household was subject to prospective or retrospective eligibility.
- The new member's circumstances for the issuance month must be added to the household's circumstances for the budget month for the calculation of benefits.
- If a new member moved out of one SNAP household and into a retrospectively budgeted household, with no break in participation, the new

Example of adding new members to a retrospectively budgeted household: For example, a two-person household was participating in a two-month retrospective budgeting system based on monthly income of \$200. On July 29, in the processing month, the household reported a new member moved in. He had \$100 unearned income in June and July and anticipated no income in August. The new member was not previously certified for SNAP. The State must add the new member prospectively to the retrospectively budgeted household for the issuance month of August. Therefore, eligibility and the allotment would be based on three members with \$200 income.

member must be added to the household using the new member's circumstances from the budget month for allotment purposes. Whether the new member's circumstances will be determined prospectively or retrospectively for eligibility purposes will depend upon whether the household was subject to prospective or retrospective eligibility.

845 Separated Households. If a household separated and became two or more separate SNAP households at some time prior to AORD, use the following procedures to determine which household to review.

If the State agency assigns case numbers by SSN:

- Review the household with the majority of members, who were certified as members of the sampled case, provided the majority contains an adult member who was certified as a member of the sampled case.
- If there is no majority or no adult from the sampled household in the majority, review the household that contains the individual with the social security number that corresponds to the sampled case.

If the State agency assigns case numbers by some means other than SSN:

- Review the household that would have retained the sampled case number using the State's procedures.
- If neither household would have retained the case number, review the household that contains the majority of the members, who were certified as members of the sampled case, provided the majority contains an adult member who was certified as a member of the sampled case.
- If there is no majority or no adult from the sampled household in the majority; review the household that contains the individual who was head of the household before it separated.

846 Categorically Eligible Households. When a household appears to be categorically eligible (including traditional, narrow, and broad-based categorical eligibility), the reviewer must take the following steps:

Step 1: Verify and document how categorical eligibility was conferred.

If conferred through traditional PA (TANF), SSI, or GA, the reviewer must apply the household's correct composition by verifying whether all household members received or were authorized to receive the following:

- [Public Assistance \(PA\)](#),
- Supplemental Security Income (SSI), or
- State or local [General Assistance \(GA\)](#) payments

If categorical eligibility is conferred through any non-cash or in-kind TANF/MOE benefit (narrow or broad-based categorical eligibility), the reviewer must verify the case record is documented with the conferment status at the time of the last certification or recertification action that authorized the sample month’s benefits, provide the documentation in the review record, and review the case as categorically eligible. This can be verified through comment on an approval notice, a use of a system indicator, or a case comment entry. See the three examples below.

Example 1 - Language from an approval notice which states the household is eligible to the TANF/MOE funded service:

“You are eligible to receive information on the benefits of a healthy marriage through 12/31/22. If SNAP ends, your eligibility to get this information also ends unless SNAP is reopened.”

Example 2 - From an eligibility system proving the case was granted categorical eligibility:

<p>Categorical Eligible: No</p> <p>Public Assistance: No</p> <p>Eligible for Expedited Services: No</p>	<p>Broad Based Categorical Eligible: Yes</p> <p>Immediacy Indicator: * Routine</p>
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Example 3 - A case comment which states the household was granted CE because they are eligible to the TANF/MOE funded service and also states how the service was provided to the household:

“Household’s gross income is within the limit for the TANF-funded services, the PUB275 was provided to the household and therefore the household is MCE/BBCE eligible.”

Step 2: Determine certain household characteristics that would prohibit households or individuals in households from being eligible under categorical eligibility procedures (including traditional, narrow, and broad-based categorical eligibility).

The entire household cannot be considered categorically eligible (including traditional, narrow, and broad-based categorical eligibility) and must be reviewed under all regular SNAP eligibility and benefit provisions if:

- Any member of the household has been disqualified for an Intentional Program Violation (IPV);
- the household has refused to cooperate in providing information to the State agency that is necessary for making a determination of eligibility or for completing any subsequent review of its eligibility;
- the household is ineligible under striker provisions;
- the household is ineligible because it knowingly transferred resources for the purposes of qualifying or attempting to qualify for SNAP;
- the household has failed to comply with monthly reporting requirements;
- any member failed to comply with workfare requirements;
- the head of household has been disqualified for failure to comply with work requirements;
- any member of the household has been found ineligible by virtue of a drug-related felony conviction. If the State legislature has modified or eliminated this prohibition, then the modification will apply or, if eliminated, this prohibition is not applicable; or
- a household whose previous certification was terminated due to receipt of substantial lottery or gambling winnings. These households must have one certification under normal income and resource standards before regaining eligibility for BBCE at the next certification or recertification.

Also when determining household composition, certain individuals are prohibited from being included as members of a categorically eligible household and will be ineligible from participating in SNAP. For these individuals, they must be removed from the household and their resources (when applicable), income, or deductions, must be applied to the remaining household following the applicable SNAP eligibility and benefit determination policy for households with these special circumstances. The remaining household is reviewed under categorical eligibility if otherwise eligible. Such individuals include:

- Ineligible non-citizens;
- Ineligible students;
- Individuals disqualified for failure to provide or apply for an SSN;
- Persons institutionalized in a nonexempt facility; or
- Individuals, other than the head of household (in which case the prohibition from categorical eligibility is extended to the whole household, as indicated above), who are found ineligible for failure to comply with work requirements.

Step 3: Complete the review as categorically eligible deeming appropriate elements. This step can only be completed once Steps 1 and 2 have been undertaken and the case has been verified as categorically eligible.

The following elements of eligibility are deemed by categorical eligibility and do not have to be verified. Included variances cannot exist in these elements:

- Resources
- Gross and net income limits
- Social Security Number (SSN) except when conferred through a GA payment
- Residency, and
- Sponsored non-citizen information

Note: Although categorically eligible households are exempt from gross and net income limits, the reviewer is still required to determine the household's income for the appropriate budget/sample month in order to establish the correct benefit level.

847 Recipient Disqualification - 151. The reviewer must complete an inquiry for each adult household member 18 years of age or older, with the Electronic Disqualified Recipient System (eDRS) and include the results in the QC review record. This system is used to verify whether an individual(s) in the household has been disqualified from participation in the SNAP program AORD. Use the following procedures for this element if:

- eDRS does not indicate the presence of any disqualified members in the household, and no indication of information to the contrary has arisen during other collateral contacts, no further verification is required.
- eDRS does indicate the presence of a possible disqualified individual(s) in the household, the reviewer must verify the eligibility status of the individual(s) by contacting the agency that submitted the information to eDRS.
- the reviewer determines a household member is an individual disqualified from SNAP AORD, the case must be reported as containing a variance. To determine the eligibility and benefit level of the household for the error determination, the reviewer must:
 - Exclude the individual from the household, and
 - include the correct share of the individual's income and resources.
- the reviewer determines an individual is not disqualified from SNAP AORD and has been erroneously excluded from the household under review, the case must be reported as containing a variance. To determine the eligibility and benefit level of the household for the error determination, the reviewer must:
 - Include the individual in the household, and
 - include the individual's income and resources, as appropriate.

Note: If the reviewer determines there was a variance as the result of a change, the reviewer must document the variance and determine whether the variance is included or excluded based on the reporting requirements

and exclusionary time periods.

848 Ineligibility Due to a Drug Related Conviction, Fleeing Felon Status and Probation/Parole Violations. Household members who are fleeing felons or probation/parole violators are ineligible.

If a State agency has not opted out of the provision, household members convicted of a drug related felony that occurred after August 22, 1996, are ineligible for SNAP.

Under no circumstance is the reviewer to question the household regarding possible ineligibility due to a felony drug conviction or possible status as a fleeing felon or probation/parole violator. This is for the reviewer's personal safety, and to ensure that QC staff does not interfere with any ongoing law enforcement activities.

While conducting the review, the reviewer may become aware of and have verification that a household member(s) was ineligible because of one of these provisions. If the State agency was unaware of this information, then a report must be forwarded to the local agency identifying the individual's status as an ineligible household member and refer to Section 848.1.

QC staff must not contact law enforcement agencies with information regarding the whereabouts of any fleeing felons or probation/parole violators.

848.1 Fleeing Felon. An individual determined to be a fleeing felon is an ineligible household member. To establish an individual as a fleeing felon, a State agency must:

- Verify that an individual is a fleeing felon as defined by the four-part test below, or
- Verify by a law enforcement official acting in their official capacity providing the State agency with a felony warrant as defined in the alternative test below.

The State agency must specify in its State plan of operation which fleeing felon test it has adopted.

Four-part test to establish fleeing felon status. To establish an individual is a fleeing felon, the State agency must verify all four parts below:

1. There is an outstanding felony warrant for the individual by a Federal, State, or local law enforcement agency, and the underlying cause for the warrant is for committing or attempting to commit a crime that is a felony under the law of the place from which the individual is fleeing or a high misdemeanor under the law of New Jersey.
2. The individual is aware of, or should reasonably have been able to expect

- that, the felony warrant has already or would have been issued.
3. The individual has taken some action to avoid being arrested or jailed.
 4. The Federal, State, or local law enforcement agency is actively seeking the individual.

Alternative test to establish fleeing felon status (also known as the Martinez test). A State agency may establish an individual is a fleeing felon when a Federal, State, or local law enforcement officer acting in their official capacity presents an outstanding felony arrest warrant to the State agency to obtain information on the location of and other information about the individual named in the warrant. Such a warrant must conform to one of the following National Crime Information Center Uniform Offense Classification Codes:

- Escape (4901),
- Flight to Avoid (prosecution, confinement, etc.) (4902), or
- Flight-Escape (4999).

848.2 Probation and Parole Violator. An individual determined a parole or probation violator is an ineligible household member. An individual is considered a probation or parole violator when an impartial party, as designated by the State agency, determined the individual violated a condition of their probation or parole imposed under Federal or State law, and that Federal, State, or local law enforcement authorities are actively seeking the individual to enforce the conditions of the probation or parole.

848.3 Probation and Parole Procedures.

Actively seeking is defined as follows:

- A Federal, State, or local law enforcement agency informs a State agency that it intends to enforce an outstanding felony warrant, or to arrest an individual for a probation or parole violation within 20 days of submitting a request for information about the individual to the State agency;
- a Federal, State, or local law enforcement agency presents a felony arrest warrant; or
- a Federal, State, or local law enforcement agency states that it intends to enforce an outstanding felony warrant, or to arrest an individual for a probation or parole violation within 30 days of the date of a request from a State agency about a specific outstanding felony warrant, or probation or parole violation.

Application processing. The State agency must continue to process the application while awaiting verification of fleeing felon, or probation or parole violator status. If the State agency is required to act on the case without determining a fleeing felon's, or probation or parole violator's status in order to meet the processing time standards; then the State agency must process the

application without consideration of the individual's fleeing felon, or probation or parole violator status.

Verification. The reviewer must examine agency records to determine whether the agency was aware of drug related convictions, or that a household member was a fleeing felon or a probation/parole violator. The QC reviewer must verify and document:

- The date on which the State agency became aware of the information.
- The date the drug related felony occurred (if applicable).
- The option adopted by the State agency for determining fleeing felon status and how the agency established the selected option criteria was met (if applicable).
- How the State agency established probation/parole violator status.
- How the State agency verified (must consist of documentation contained in the records of the State agency, or information that is otherwise know to the State agency).

Variations. If the reviewer determines the agency was aware of the household member(s) status as ineligible and failed to take appropriate action to remove the individual(s), the case must be reported as containing an agency-caused variance. In making the error determination the reviewer must:

- Exclude the ineligible member(s) in determining SNAP benefits for the sample month;
- Handle income and resources of any ineligible member(s) in accordance with certification procedures; and
- Apply the appropriate requirements and time frames for reporting and acting on changes.

Deficiencies, other than those referenced above, are not included in the error determination.

850 WORK REQUIREMENTS AS A CONDITION OF PARTICIPATION.

850.1 Employment and Training - 160. As a condition of participation in SNAP, eligible recipients who have registered for work may be required to participate in an employment and training (E&T) program operated by the State. All mandatory E&T participants must receive case management services and at least one E&T component as part of their E&T program. Failure to participate in case management or the component can result in a determination of failure to comply with the requirement to participate in E&T and lead to ineligibility for SNAP. Case management services may include:

- Comprehensive intake assessments
- Individual service plans
- Progress monitoring
- Coordination with service providers

E&T components include:

- Supervised job search
- Job search training
- Workfare
- An education program
- Self-employment training
- Job retention
- Work experience

If the State exempted an individual from a mandatory employment and training program, the reviewer must determine if the exemption was correct. The reviewer must determine if a member of the household or the entire household should have been disqualified AORD because an individual failed or refused without good cause to participate in employment and training.

- **Verification.** Participation in employment and training may be verified by contact with the appropriate operating E&T offices or by reports from the appropriate office. The reviewer must verify mandatory E&T participants completed all E&T requirements, including E&T case management and at least one E&T component. Employment and training activities and services may be operated by the State agency or by other entities. The case file must contain any reports from workforce partnerships if relevant to the household.
- **Variances.** If the reviewer determines an individual(s) refused or failed without good cause to comply with employment and training requirements and the individual(s) was not disqualified from the program, the case must be reported as containing a variance. If a required good cause determination was not made by the State agency, the reviewer must make a determination by verifying whether there was good cause. If a good cause determination was made by the agency, that good cause determination itself is not subject to examination by the reviewer. If the reviewer determines there is a variance for refusal or failure without good cause to comply with employment and training requirements, the reviewer must consider the individual or household ineligible.

If the reviewer determines there is no documentation to support that a member of the household refused or failed without good cause to comply with employment and training requirements, and that individual has been

erroneously disqualified, the case must be reported as containing a variance. Such a variance will result in a determination that the individual or household is eligible.

If, AORD, the State agency has imposed a disqualification period upon an individual, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. The specific circumstances of the disqualification action must be examined in order to determine its correctness.

Exemptions. The verification sources for exemptions from employment and training vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source. The reviewers must also review State policy when verifying exemptions, as each State agency may exempt individual work registrants and categories of work registrants from E&T participation. Several specific exception types are detailed below.

- **Good Cause:** If the State agency determines good cause for mandatory E&T participants, documentation of the good cause determination must be present in the case record. The reviewer must include the documented screenshots or printouts of the good cause determination from the case record and document the information in Element 160.
- **Provider Determination:** If a provider determination was made, then the reviewer must verify the determination through the appropriate operating E&T Office. The reviewer must also check the case record to ensure the eligibility worker documented the provider determination and either granted the E&T participant an exemption, referred the individual to an appropriate E&T program or workforce partnership, or identified another work opportunity for the individual.

850.2 Time Limited Participation - 161. Able-bodied adults without dependents (ABAWDs) are eligible for participation in SNAP for only 3 months within a 36-month period without working or participating in a work or workfare program for at least 20 hours weekly, averaged monthly, unless exempt. After exhausting the initial 3 allowable months, ABAWD individuals meeting certain criteria may qualify for 3 additional consecutive months of participation in the 36-month period. The ages subject to time limited participation are as follows:

- Federal Fiscal Year (FFY) 2023: older than 18, younger than 51;
- FFY 2024: older than 18, younger than 53;
- FFY 2025 through FFY 2030: older than 18, younger than 55.

Verification. The reviewer must verify both the status of individual household members as ABAWDs and the SNAP participation history of any ABAWD members

AORD. Using the State's ABAWD tracker, the reviewer must determine if anyone has exhausted 3 months of their 36-month allowance, using the following procedures:

- The reviewer must explore the eligibility status of the ABAWD as a routine part of the field investigation of the case.
 - The reviewer must examine agency records.
 - Verification must consist of documentation contained in the records of the State agency, or information that is otherwise known to the agency.
 - Agency issuance records and the agency's ABAWD tracker must be used to verify both SNAP participation and the ABAWD's work status for the previous 36 months AORD.
- The reviewer must correct an individual's ABAWD status for the QC review if the reviewer finds and validates any discrepancies regarding the ABAWD's eligibility status for the period under review between the State agency's ABAWD tracker and those validated in the field investigation. The reviewer must also document this information in the QC review record and once submitted to FNS, notify the local office of its findings for possible administrative action.
- Household members must be questioned regarding the history of SNAP participation on the part of any ABAWD household members.
 - The reviewer must verify the date on which the State agency became aware of any pertinent ABAWD information.
 - If there are no indications from the review of agency records or from the field investigation that any household members may be ineligible ABAWDs, then the household's statement may be accepted.
- No further investigation of the matter is necessary.
 - There is no requirement that the reviewer contact agencies administering the program in other states if there are no indications the ABAWD has participated within another jurisdiction.
- When a household admits a household member is an ABAWD, or agency records and/or collateral contacts indicate a household member may be an ABAWD, the reviewer must verify the eligibility status of the individual(s) through the examination of agency records and collateral contacts with organizations administering the program in other States (when participation in another State is confirmed).
 - The records of the State agency responsible for the administration of SNAP where the recipient potentially participated are the only acceptable source of verification regarding the individual(s) ABAWD status.

Variations. The reviewer must use the following procedures in making the error determination:

- For each household member, determine whether the individual is an ABAWD AORD.
- If the reviewer determines that, AORD, the agency improperly excluded an individual who was not subject to the time limit restrictions, or who had not yet exceeded the time limits for SNAP participation; a variance exists, and the reviewer must use the following procedures in making the error determination:
 - Include the eligible member(s) in determining SNAP benefits for the sample month.
 - Apply the appropriate time frames and requirements for reporting and acting on changes in the household circumstances.
- If, AORD, the State agency has imposed an ABAWD disqualification period upon a household member, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness.
- For those individuals determined to be an ABAWD AORD, the reviewer must proceed with the review steps below:
 - Determine whether these individuals have exceeded their time limits for SNAP participation. If yes, a variance must be cited, and the reviewer must proceed to the next step.
 - In making the error determination the reviewer must:
 - Exclude the ineligible member(s) in determining SNAP benefits for the sample month and
 - Include reportable changes that are not reported, and that impact the eligibility status of an ABAWD individual.

Exemptions. The verification sources for exemptions from the time limit requirements vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

- **Waiver:** An ABAWD is not subject to the time limit if they live in an area that is waived.

Good Cause: An ABAWD may receive good cause for failure to complete the ABAWD work requirement in cases where they would have met the time limit but was unable due to temporary circumstances. Good cause includes circumstances beyond the individual's control, such as illness, illness of another household member requiring the presence of the member, a household emergency, or the unavailability of transportation. Verification is required if good cause was determined for failure to comply with the ABAWD

work requirement. Good cause granted for failure to comply with E&T may also apply to ABAWD work requirements if noted in the case record.

- **ABAWD Discretionary Exemptions:** A discretionary exemption of a participant, like any exemption, should be documented in the case record for QC to review the individual as such.

850.3 Work Registration - 162. As a condition of participation in SNAP, eligible recipients are required to register for work unless they are exempt. If the household member, unless otherwise exempt, refuses to work, or fails without good cause to register, the individual is ineligible until the individual registers or becomes exempt from work registration requirements.

The reviewer is required to verify and document:

- If each household member was required to register for work;
- If the household member(s) required to register for work was registered;
- If any exemptions allowed by the State were correct; and
- If a member or the entire household should have been disqualified AORD because an individual refused without good cause to work register.

Verification. The following primary sources are used to verify work registration:

- Employment registration form
- Employment agency printout
- Contact with the employment office
- Case record documentation of the date on which current registration was validated

Variances. If the reviewer determines a household member refused or failed without good cause to register for work and no exemption exists, the case must be reported as containing a variance. The reviewer must follow the guidance below:

- Lack of a work registration form in the case record is not evidence of refusal or failure to cooperate without good cause.
- If a required good cause determination was not made by the State agency, the reviewer must verify whether there was good cause.
- If a good cause determination was made by the State agency, that good cause determination itself is not subject to examination by the reviewer.
- If the reviewer determines there is a variance for refusal or failure without good cause to register for work, the reviewer must consider the individual ineligible.
- Work registration variances are not cited for individuals added to the household's composition (and for whom a household composition variance has

been cited) as a result of the QC review.

- If the reviewer determines a member of the household failed or refused with good cause to register and was erroneously excluded in the household under review, the reviewer must consider the individual eligible and report the case as containing an agency-caused variance.
- If the State agency has imposed a disqualification period upon a household member AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined to determine its correctness.

Exemptions. The verification sources for exemptions from work registration vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

850.4 Voluntary Quit/Reducing Work Effort - 163. As a condition of participation in SNAP, eligible recipients must not voluntarily quit without good cause, or reduce hours of employment to less than the required number of hours per week without good cause. If a non-exempt individual voluntarily quits or reduces their work hours without good cause, the individual or household is ineligible to participate. The reviewer must determine:

- Whether the member of the household voluntarily quit their job without good cause, and whether the household should have been disqualified AORD as the result.
 - If a good cause determination of voluntary quit is made by the State agency, that good cause determination itself is not subject to examination by the reviewer.
- Whether the member of the household voluntarily quit a job if:
 - There is an indication in the case record of a quit (unless documentation shows good cause),
 - IEVS data that was previously obtained indicates recently terminated employment,
 - during the interview the household indicates an individual recently became unemployed or reduced their work hours, or
 - an indication of a quit or reduction is found through collateral contacts.

Verification. The household member is primarily responsible for providing verification and/or collateral contacts. To determine whether a household member should have been disqualified because of a job quit or reduction in work hours, the reviewer must verify the following:

- When the quit or reduction occurred,
- if it was voluntary, and
- the number of hours or weekly wages before and after the change.

Verification sources include, but are not limited to:

- Previous employer(s)
- Employee associations
- Union representatives, and/or grievance committees or organizations

If a good cause determination was not made by the State agency, the reviewer must make a determination by verifying whether there was good cause. If a good cause determination of voluntary quit was made by the State agency, that good cause determination itself is not subject to examination by the reviewer.

Reviewers must apply State agency definitions for “voluntary quit” and “reducing work efforts” in completing the review of these provisions.

Variations. If there is no indication of noncompliance, the reviewer must presume the household complied. The reviewer must use the following guidance:

- If the reviewer was unable to obtain verification because the job quit or reduction of hours resulted from circumstances that cannot be verified (i.e., a resignation from employment due to discrimination practices or unreasonable demands by an employer, or because the employer cannot be located), no variance exists in this element.
- If the State agency has imposed a disqualification period upon an individual AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness.

850.5 Workfare and Comparable Workfare - 164. As a condition of participation in SNAP, State agencies may require recipients to participate in an optional workfare program. Such a workfare program may also include comparable workfare programs approved by the State, i.e., self-directed workfare. The reviewer must use the procedures in this section for individuals participating in such a program.

Individuals or households are disqualified from SNAP when the State agency determines that a workfare participant failed or refused without good cause to comply with the requirements of workfare. Such disqualifications do not apply if participation by the SNAP recipient was voluntary. The reviewer must determine if individuals should have been disqualified AORD because they did not comply with workfare requirements.

Verification. The reviewer must look for information such as reports in the case record that indicate noncompliance with the workfare requirements without good cause.

Variations. If there is no indication of noncompliance, the reviewer must presume the household complied. The reviewer must use the following guidance:

- A determination by, or notification to, the agency of failure or refusal to comply without good cause with workfare requirements must be reviewed to determine the period of ineligibility.
- If the reviewer determines a member of the household refused or failed without good cause to comply with workfare requirements and has been erroneously included in the household, the reviewer must consider the individual or household ineligible and the case must be reported as containing an agency-caused variance.
- If the reviewer determines a member of the household failed or refused with good cause to comply with workfare requirements and has been erroneously excluded from the household under review, the reviewer must consider the individual eligible and the case must be reported as containing an agency-caused variance.
- If the State agency imposed a workfare disqualification period upon a household member AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness.

Exemptions. The verification sources for exemptions from workfare requirements vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

850.6 Employment Status/Job Availability - 165. As a condition of participation in SNAP, eligible recipients are required to provide information on an on-going basis to allow the State agency to determine the employment status or job availability of the individual and members of the household. The reviewer must determine:

- If a member of the household or the entire household should have been disqualified AORD because an individual without good cause failed or refused to provide information relative to their employment status or job availability, and
- if any disqualification the agency imposed on an individual or household for failure to comply, was correct.

Verification. The reviewer must look for information such as reports from the

State agency in the case record indicating noncompliance without good cause. If a required good cause determination was not made by the State agency, the reviewer must make a determination by verifying whether there was good cause. If a good cause determination was made by the State agency, that good cause determination itself is not subject to examination by the reviewer.

Variations. If there is no indication of noncompliance, the reviewer must presume the household complied. The reviewer must use the following guidance:

- A determination by, or notification to, the agency of failure or refusal to comply without good cause must be reviewed to determine the period of ineligibility.
- If the reviewer determines that a member of the household failed or refused with good cause to comply with reporting requirements and was erroneously excluded in the household, the reviewer must consider the individual eligible and report the case as containing an agency-caused variance.
- If the agency imposed a disqualification period upon a household member AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness.

Exemptions. The verification sources for exemptions from the reporting requirements vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

850.7 Acceptance of Employment - 166. As a condition of participation in SNAP, eligible recipients are required to report to an employer when referred and to accept a bona fide offer of suitable employment. The reviewer must determine if a member of the household or the entire household should have been disqualified AORD because an individual refused without good cause to accept suitable employment. If the State disqualified the individual for failure to comply, the reviewer must determine if the disqualification was correct.

Verification. The reviewer must look for information in the case record that indicates noncompliance without good cause. If a required good cause determination was not made by the agency, the reviewer must make a determination by verifying whether there was good cause. If a good cause determination was made by the State agency, that good cause determination itself is not subject to examination by the reviewer.

Variations. If there is no indication of noncompliance, the reviewer must presume the household complied. The reviewer must use the following guidance:

- A determination by, or notification to, the agency of failure or refusal to

comply without good cause must be reviewed to determine the period of ineligibility.

- If the reviewer determines that a member of the household failed or refused without good cause to accept employment and was erroneously included in the household, the reviewer must consider the individual or the household (as appropriate) ineligible and the case must be reported as containing a variance.
- If the reviewer determines that a member of the household failed or refused with good cause to comply and was erroneously excluded from the household, the reviewer must consider the individual eligible and the case must be reported as containing an agency-caused variance.
- If the State agency imposed a disqualification period upon an individual AORD, the reviewer must not consider the individual to be either eligible or ineligible based solely on the timeliness of the disqualification action. Specific circumstances of the disqualification action must be examined in order to determine its correctness.

Exemptions. The verification sources for exemptions from the requirement to accept suitable employment vary with the basis for exemption. The reviewer must verify each exemption with the appropriate source.

860 SOCIAL SECURITY NUMBERS - 170. Applicants and participants in SNAP must provide the State agency with the SSN of each household member or provide proof they have applied for one before certification (refer to 860.1 for information related to newborns). Refusal or failure without good cause results in disqualification only of the individual for whom an SSN was not obtained. No verification of SSN is required for a member of a household who has chosen not to be included as a recipient of SNAP because they do not wish to provide their SSN.

860.1 Verification. Verification of SSNs is not required for households that are categorically eligible based on PA or SSI payments. However, an SSN may be verified for a member of a categorically eligible household when the number is needed to do an IEVS check, and the SSN is not in the case record, or it appears to be incorrect.

For other households, including those households that are categorically eligible based on GA payments, verification must be obtained for each household member. Verification based on viewing the social security card is not acceptable. Verification must be based on one of the following sources:

- Collateral contact with SSA
- SSA printouts or documents such as a Form SS-5 (Application for an SSN) or SSA-5028 (Receipt for Application for an SSN) or other similar forms
- Documentation that the SSN had been verified by another program participating in IEVS

- Documentation in the case record that shows that a Form SS-5 was sent to SSA on a specific date
- Birth document issued by the hospital in the case record that shows that a SSN was applied for or other receipt showing this, if it contains identifying information that includes the names of the baby and the parent(s), and the date of birth of the baby

Note: Under no circumstances should the reviewer contact a hospital to verify whether or not a SNAP applicant or recipient applied for a newborn baby's SSN while in that hospital. The reviewer must:

- Explore the case record for a copy of verification from the hospital that shows an application for a SSN was made, and
- document the verification used to show that the individual did or did not have a SSN.

860.2 Variances. A variance must only be cited, and the household member determined ineligible, in the following circumstances based on the reviewer's determination:

- An individual refused, or failed without good cause, to provide or apply for an SSN, based on documentation in the case record.
 - The individual must be determined ineligible.
- If no evidence establishes refusal; then the reviewer must determine whether good cause existed for the individual's failure to provide or apply for an SSN.
 - Good cause is established through documentary evidence that the individual made every effort to supply the necessary information to complete an application for an SSN.
- The household knowingly provided an incorrect SSN for an individual or knowingly failed to provide all SSNs for an individual.
 - The individual must be determined ineligible.
- An individual was disqualified by the State agency.
 - The reviewer must determine if the disqualification was correct AORD.

Deficiencies, other than those referenced above, must not be included in the error determination.

- If an individual who was added to household composition as a result of the

- QC review (and for whom a household composition variance has been cited), and does not have a SSN, then SSN variance is not cited.
- If the findings of a QC review result in a variance cited in household composition because a member was incorrectly excluded, and that individual does not have an SSN; the reviewer must not cite an SSN variance.
 - Failure on the part of the agency to process a SS-5 or to inform the household member that a SSN must be obtained within the allowed time frames is not considered a variance and does not affect the error determination.

When an individual is determined ineligible or has chosen not to receive SNAP benefits for themselves, the reviewer must:

- Exclude the individual from the household, and
- consider all resources and a prorated share of the individual's income in determining the household's eligibility and benefits.

870 DISABLED INDIVIDUALS. Disabled household members who are verified as meeting the definition of "disabled" in SNAP regulations are eligible for special eligibility and benefit standards as follows:

- The net income eligibility standard is the only income standard applied,
- the excess medical deduction,
- the uncapped shelter deduction, and
- special household composition considerations.

Disability status must be verified in connection with application of these special standards.

Note: Only individuals who meet the definition of "disabled" in SNAP regulations are eligible for special eligibility and benefit standards.

870.1 Verification. The source of verification varies depending upon the basis for the entitlement to disability status. The verification must originate with the government agency that provided the basis for the disability determination. Verification may be in the form of documentation (official government documents), computer listings, or collateral contacts.

Example: If the basis for the disability determination is receipt of SSI, then verification must consist of SSA documentation or computer listings which verify the information, or a collateral contact with SSA.

870.2 Variances.

- If the reviewer determines an incorrect disability status determination has been made (a disabled household member has been considered non-disabled, or a non-disabled household member has been considered disabled), a variance exists.
- If the reviewer determines the variance is the result of a change, the reviewer must determine if the variance is included or excluded based on the reporting requirements and exclusionary time periods.

Variances in disability status are not coded on Form FNS-380-1 as disability variances, rather they must be coded in the element affected by the disability status variance.

Example of Coding a Variance That Was Related to Disability Status: A household is given an uncapped shelter deduction on the basis that a household member is disabled. The reviewer discovers the household member is not disabled, and the household is not entitled to an uncapped shelter deduction. The variance must be coded in Element 363, shelter deduction.

Chapter 9 RESOURCES

900 VERIFICATION STANDARDS FOR RESOURCES - 200-299.

910 GENERAL REQUIREMENTS. This chapter discusses the general requirements for verification of resources. For verification timeframes during the QC review process, refer to [Section 711.1](#) (prospective) and [Section 712.1](#) (retrospective).

911 Purpose of Verification of Resources. The reviewer must determine if the household's nonexempt resources exceed the resource eligibility standard, except for categorically eligible households.

Liquid Resources include such things as:

- Cash on hand
- Money in checking and savings accounts
- Savings certificates
- Stocks or bonds
- Lump sum payments as specified in the regulations

Non-liquid Resources include such things as:

- Personal property
- Licensed and unlicensed vehicles
- Buildings and/or land
- Recreational properties
- Any other property, provided these resources are not specifically excluded in the regulations

Note: The value of nonexempt resources, except for licensed vehicles, is the equity value. The equity value is the fair market value less encumbrances; see below within each non-liquid resource section for the method of determining fair market value less encumbrances.

Fluctuations in resources over the certification period, even in excess of the household's standard, are not considered variances. Thus, the reviewer will only cite a variance in this element when:

- The applicable resource standard was exceeded as of the QC verification date (See [Section 710](#)),
- the household fails to report the acquisition of certain vehicles, or
- Policy was misapplied by the agency.

The reviewer must apply the exclusionary time periods in [Chapter 7](#), for variances resulting from changes.

Note: In determining whether a variance exists, the reviewer must ensure the same money is not counted both as income in the month it was received and as a liquid resource in the same month.

912 Eligibility Standards. There are statutory resource limits for all households. The reviewer must determine the resource limit that applies to each household except those households that are categorically eligible (CE).

913 Categorical Eligibility. Households are categorically eligible if:

- All household members received or were authorized to receive Public Assistance (PA), Supplemental Security Income (SSI), State or local General Assistance (GA) payments, or
- benefits from a State Program conferring categorical eligibility (BBCE).

If all household members met the criteria of categorical eligibility, the household was eligible for SNAP as it relates to resource elements. This applies even if there was more than one PA unit in the SNAP household. The reviewer is not required to review the household's resources if it was categorically eligible, except to determine if the resources provided any income to the household such as interest or rent.

If the reviewer becomes aware the PA/SNAP household had more resources than allowed by the PA standard, this information must be reported to the agency. This information does not result in the case being reported as ineligible for SNAP benefits as SNAP cannot determine eligibility for another program.

When a case is found to be incorrectly classified as categorically eligible, the reviewer must use the applicable resource standard. For example, if the reviewer finds a household contained an individual who was not included in the PA budget, the SNAP resource limit would be used. If the resources exceeded the resource limit, the case was ineligible.

914 Combined Resources - 225. The reviewer must calculate the total of all verified nonexempt resources and compare that amount to the appropriate resource limit to determine if there was a variance. The worksheet must show the combined resource calculation and the resource limit used. Documentation must identify what resources are included in the calculation.

915 Acceptable Case Record Verification. Reviewers may accept documentation and verification contained in the case record if it is not subject to

change and applies to the budget/sample month.

- For non-liquid resources, the reviewer may accept as current any appropriate case record verification stating the amount of the resource during the 30 days before or after the review date.

Example: An appraisal obtained during the 30 days before or after review date, for a piece of property, would be acceptable.

- For liquid resources, the reviewer may only accept case record verification stating the amount of resources AORD.

916 Transfer of Resources. The reviewer must ask the household if it transferred any resources during the three months prior to application or after its eligibility was determined.

If the household admits to a transfer of resources, the reviewer must:

- Identify the resource,
- specify when the transfer occurred, and
- determine whether the transfer was knowingly made in order to qualify for SNAP benefits.

The household's documents verifying the transfer may be used. If the Eligibility Worker (EW) documented in the case record the household reported a transfer of resources, the reviewer must determine if the household would be eligible for the sample month in accordance with certification procedures.

A household may use its resources without having that use considered as a transfer of resources. For example, a household that had \$3,000 in a bank account and used \$2,000 to re-roof its home would not be ineligible based on a transfer of resources.

Note: Transfer of property must be examined for CE households at certification (except for those conferred through receipt of PA/SSI payments).

920 NONEXEMPT RESOURCES. The reviewer must verify the amount of nonexempt resources declared by the household. In addition, the reviewer must explore the household circumstances to reasonably establish the absence of any undeclared resources. The evidence required to support the positive and negative allegations is specified in this chapter. The countable amount of a non-liquid resource is its fair market value less encumbrances (except for licensed vehicles). See [Section 980](#).

930 EXEMPT RESOURCES. Certain resources are not included when

establishing eligibility for SNAP. The reviewer must determine such resources were properly exempted in the calculation of the household's resources.

931 Resources of Non-Household Members. The reviewer must verify resources were counted according to certification policy for household members disqualified, including:

- Intentional program violations,
- Failure to comply with the work requirements,
- Ineligible non-citizens, and
- Social Security Number (SSN) disqualified persons.

The reviewer must verify that resources of all other non-household members were included/excluded as determined by certification policy.

Note: Resource eligibility factors are deemed for households who have been conferred CE (traditional, narrow, or broad-based). For CE households resources of ineligible household members whose resources would normally be counted do not have to be verified for QC purposes.

932 Resources of Non-Citizen Sponsors. The reviewer must verify the amount of any resources which are required to be deemed to the household from a sponsor (and the sponsor's spouse) of a non-citizen.

933 Resources Jointly Owned With Non-Household Members. The reviewer must verify the amount of any jointly owned resources. Resources owned jointly by separate households are to be considered available based upon certification policy and applicable State laws.

934 Resources Which Are Accessible to the Household but Not Owned By The Household. The inclusion or exclusion of resources which are accessible to the household, but not owned by the household must be based upon certification policy and applicable State laws.

940 BANK ACCOUNTS OR CASH ON HAND - 211. The reviewer must ask the household if any member had liquid resources including cash or any other financial instrument that can be readily converted to cash. An Income and Eligibility Verification System (IEVS) inquiry must be completed to check for resources for all household members. In addition, the reviewer must specifically question whether any member of the household has a bank account. The reviewer must inquire about bank accounts if the household's income verification reflects direct deposit into a bank account. The household's response, any applicable verification and the reviewer's determination must be documented. Documentation regarding each individual member of the household must be included in Column 3, Review Finding.

Note: Simply checking yes or no for the entire element is not acceptable documentation; details about the liquid resource(s) for each member is required.

Examples:

- Cash on hand
- Money in savings and checking accounts
- Money available in any debit or similar type account
- Instruments issued by banks and credit unions, such as certificates of deposit
- Stock ownership in corporations
- Bonds, such as savings bonds
- Shares in mutual funds
- Nonrecurring lump-sum payments such as income tax refunds
- Individual Retirement Accounts
- Debit cards received

941 Inquiry Into Available Balance of Accounts. The reviewer must not consider any money as both income and a resource in the same month. Funds counted as income for a month must be deducted from the available balance of an account into which they were deposited. Additionally, the reviewer must deduct any outstanding checks or drafts against an account when determining the balance available as a resource.

- For retrospectively eligible cases, resources are determined as of the last day of the budget month.
- For prospectively eligible cases, resources are determined as of the review date (AORD).

Note: The reviewer may need to explore interest income even if they are not required to explore the resources of the household (i.e., CE households). Interest income should be addressed as income and documented in the appropriate element.

942 Inquiry About Declared Liquid Resources. When a household declares a liquid resource not identified in the case record or for which verification is not current, the reviewer must verify according to the appropriate reporting system and document:

- Name, address and phone number of the financial institution,
- type of account,
- account number,
- amount of the resource,
- type of ownership, and

- if it is an interest-bearing account.

Note: Only verification from a financial institution is acceptable.

943 Verification of Declared Liquid Resources.

943.1 Cash. Reviewers may accept the household's statement about the amount of cash on hand. A household may be in possession of a check or other financial instrument they have not yet cashed or deposited into an account. Such a resource must be considered cash and can be verified by viewing the payment check. An example might be a lump-sum payment or the result of the conversion of another resource, such as selling a vehicle or other property.

943.2 Other Liquid Resources. To verify any other liquid resources declared for a household member, the reviewer must contact the financial institution and verify the net amount of the resource. The reviewer must also inquire if other household members have resources there or if the member who has declared the resource has any other resources there. Amounts of all resources must be verified and documented.

943.3 Conditions Affecting Further Verification. The reviewer must check the accuracy of account information provided by the individual and check for the existence of non-declared accounts through inquiries to banks or banking institutions in the following situations:

- Household member alleges ownership of an account.
- Evidence appears to contradict household's negative allegation of an account.
- Household member uses a banking institution to cash checks or for direct deposit of checks.
- IEVS or other collateral inquiry reveals possible resources.

950 NONRECURRING LUMP-SUM PAYMENTS - 212. Household circumstances may indicate the possibility of a recent lump-sum payment. Examples might include:

- A household in which there has been a recent death may have received a lump-sum insurance settlement.
- A household that recently moved may have received a refund of rental or utility deposits.

Payments such as these that have been deposited in bank accounts should appear in routine verification of liquid resources. If there is reason to believe the household received a lump sum payment and it does not appear as a declared resource, the reviewer must ask the household if it received such a payment and document the

worksheet accordingly.

960 OTHER LIQUID ASSETS - 213. If the household owns any personal property that is not exempt from consideration as a resource, the reviewer must determine the value of the property through any reliable and reasonable method, such as:

- Sales slips
- Personal property tax assessment
- Catalog
- Existing insurance appraisal
- Local merchants

In the absence of evidence to the contrary, the reviewer may accept a household's statement that they own no such personal property.

970 REAL PROPERTY - 221. The reviewer must determine if the household owns any real property (i.e., land or buildings). If real property is discovered, the reviewer must determine if it is considered excludable as a resource, such as:

- A home and lot
- Property producing income consistent with its value

The value of any property, countable as a resource, such as recreational property, must also be verified and documented.

971 When Property Is Acknowledged. Where it is known from either the household's statement, the case record, or other sources that the household owns property; the reviewer must verify what property is excludable and the equity value of property that is not excludable. Sources of verification include:

- Courthouse Records
- Tax Records
- Real Estate Transfer Division
- Title Search
- Municipal Building Inspection Compliance records

972 When No Property Is Acknowledged. When no property is acknowledged, or only excludable property is identified, the reviewer must follow up to determine the household owns no real property or owns only excludable property.

For the following households, the reviewer may accept the household's statement that it has no property unless there is evidence to contradict the household's

negative allegation.

- Household resided AORD in government/tribal public housing or federally subsidized housing such as the Housing Authority/Tribal Housing Authority (THA), Housing and Urban Development (HUD) or participating in the Housing Choice Voucher Program (Section 8), or
- household was homeless AORD.

For all other households, the reviewer must check if the household owns property through county records or other official sources. When available searches yield no information, and there is no reason to believe there is property or only excludable property, the household's statement may be accepted. The reviewer must clearly document their attempts to verify, as well as their determination.

980 VEHICLES - 222. For each adult household member, the reviewer must document the household's positive or negative allegation of vehicle ownership. Whether the household alleges ownership of a motor vehicle or not, the reviewer must check the accuracy of the information, and explore potential ownership of other vehicles via inquiry through the State Department of Motor Vehicles (DMV) or its equivalent. This inquiry must be completed even if the household provides proof of ownership. Additional verification or contact with other collateral sources is required if DMV records differ from the household's statement.

The reviewer must determine the status (with respect to use and license) and the value of all vehicles owned by the household. The value of some licensed vehicles is excluded as a resource. To establish the value of motor vehicles, the reviewer must use the National Automobile Dealers Association (NADA), "blue book", or equivalent. Other sources (i.e., car dealers) can provide an approximate valuation based on make, model and year of the vehicle. In determining the effect of motor vehicle ownership on eligibility, additional information may be required such as purchase price, encumbrances against the vehicle, and the name of the organization financing the purchase.

When ownership of a motor vehicle by the household is established, the reviewer must verify and document the following information:

- Registered owner
- Make
- Model
- Year
- Verification used
- Reviewer's determination of any countable value

990 OTHER NON-LIQUID RESOURCES - 224. The reviewer must verify and document ownership, equity value, and whether included or excluded for all non-liquid resources not covered in Elements 221 and 222. Documents that can be used as the basis of verification of such items are things such as sales agreements and tax records, as well as items mentioned under Sections 970 and 980 above.

Chapter 10

INCOME

1000 GENERAL. This chapter describes the procedures for verifying household income and for determining variances in income.

1010 VERIFICATION AND VARIANCE DETERMINATION PROCEDURES.

1011 Verification. Households may receive income from one or more types and sources, such as:

- Wages or salaries
- Public assistance (PA) grant
- Self-employment enterprise
- Alimony payments

The procedures used to verify income are based on the source of the income. Different procedures apply to different types and sources of income. Income is verified for the budget/sample or issuance month(s), depending upon the specific eligibility, budgeting, and reporting requirements of the household. (Refer to [Chapter 7](#).) In some instances, income must also be verified for other months, e.g., the receipt of a student grant that must be prorated over a specific period.

1012 Variance Determination. The variance determination process depends upon numerous factors specific to the case being reviewed, such as:

- How the income is received and budgeted, including but not limited to:
 - Stable
 - Fluctuating
 - Received on some other schedule
 - Annualized
 - Averaged
 - Prorated
 - Converted (weekly or biweekly)
- The manner in which the eligibility worker (EW) treated the income.
- If the EW correctly applied the certification policy.
- If the EW made any computational errors.
- If the recipient correctly reported income at most recent certification.
- If the recipient correctly reported income changes.
- If the EW correctly handled reported or unreported changes.

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

1013.1 Annualized Income- a type of income averaging applied when a household derives their annual income in a period of time shorter than a full year. Such a household may have their income averaged over a 12-month period. Examples include:

- Self-employment, such as farmers and sharecroppers.
 - Does not apply to migrant or seasonal farm workers.
- Contract income such as teachers or other school employees and other contract labor.
 - Contract income that is not the household's annual income and is not paid on an hourly or piecework basis must be prorated over the period it is intended to cover.

Procedures for annualized income (self-employment and contract) are found in [1065.1](#) and [1065.2](#).

Note: See [Section 1022](#) for examples of types of self-employment.

1013.2 Anticipated Income - is counted when its receipt is reasonably certain. The State agency must:

- Determine whether receipt of income is “reasonably certain” on a case-by-case basis, and
- use information provided by the household, along with any necessary verification to confirm the decision.

The provisions on change reporting in [Section 223](#) concerning earliest date is applicable to determining when income can be reasonably anticipated.

1013.3 Averaged Income - is the process used when the household’s income is expected to fluctuate over the certification period. The State agency must use the anticipated monthly fluctuations to calculate a representative average to project through the certification period. Averaging methods may be established by the State agency to be applied to certain types of households. The reviewer must use the averaging method established by the State agency.

Note: The process of converting income from weekly or bi-weekly to a monthly

amount is considered conversion and does not constitute averaging. (See 1013.4 below for conversion procedures.)

1013.4 Conversion - When income is paid on a weekly or bi-weekly basis, the income is converted to a monthly amount by:

- Multiplying weekly amounts by 4.3,
- multiplying biweekly amounts by 2.15, or
- using the State agency's public assistance conversion standard, as defined in the State Plan and Certification policy for the State agency.

When processing monthly reports, State agencies have the option of converting income that is received weekly or biweekly to a regular monthly amount. The State agency must choose one option for all monthly reporters and one option for all change reporters.

If the EW was required to convert income, the QC reviewer must also convert. If the EW was not permitted to convert income (i.e., the recipient receives less than a full month's income from the source), the QC reviewer also must not convert. The QC reviewer must use the applicable conversion method adopted by the State agency. If the State agency did not select an option, the QC reviewer must use actual income.

1013.5 Fluctuating Income - is earned or unearned income that varies monthly in amount and/or by source. Such income may be averaged or not averaged.

1013.6 Prorated Income - is income that is divided:

- Among the household members (including any ineligible household members, if appropriate),
- among the individuals for whom it is intended, or
- by the months for which it is intended to cover, e.g., a student grant.

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

1020 VERIFICATION REQUIREMENTS - EARNED INCOME.

1020.1 Credit Check for Verification of Earned Income. This inquiry serves as an optional tool for the verification of earned income. A credit check may be used when the reviewer wants to further investigate or establish a financial profile of household members.

1021 Wages and Salaries - 311. This element refers to income earned by a recipient through the receipt of wages, salaries, tips, or commissions. The reviewer must verify and document whether any household members were employed, and the amount and frequency of earnings. Failure to question, verify, and document the client's statements regarding earnings and any changes in the household's circumstances introduces bias into the QC system and is not acceptable. In addition, failure to question the household when the household's expenses exceed its income but are still being paid also introduces bias into the QC system and is not acceptable.

1021.1 Positive Allegation. When the household states a member earns wages or salaries, the reviewer must obtain details about the employment, and verify and document the information using the following procedures:

- Obtain the following information by questioning the household and following up as needed with collateral sources:
 - Employer's name, address, and telephone number
 - Hourly rate and number of hours worked
 - Any regular overtime, bonus payments, tips, or commissions paid
 - Whether wages are received in cash, by check, or by direct deposit to a bank account or debit card
 - Frequency of pay
 - Full-time or Part-time
 - Hire/start date, and termination date if applicable
- Identify any changes, when they occurred, whether they were reported or unreported and whether the changes were required to be reported.
- Explore further, as needed if there is an indication of other employment. For example, the household has expenses that are currently being met by income which has not been accounted for.
- Conduct Income and Eligibility Verification System (IEVS) matches and other available employment verification sources, such as the Work Number, to determine if there are other employers or if there are periods when income increases or decreases.
- Obtain verification from the employer or examine pay stubs, earnings statements, or other official pay documents.
- Include in the QC file all verification documents obtained; or thoroughly document if the reviewer viewed the verification but was unable to obtain copies.

1021.2 Negative Allegation. When a household denies any member earned wages, salaries or other employment income, the reviewer must further explore the

household circumstances, and verify and document using the following procedures:

- Explore past employment, including types of work and former employers, which may indicate employment did exist during the appropriate month(s).
- Question collateral contacts who may provide information indicating a member of the household is or has been employed.
- Investigate situations with the household indicating the possibility of employment, such as situations where:
 - Statements are made by relatives, friends, landlords, or other collateral contacts that a household member is frequently absent from home, leaves at the same time every day, etc.
 - The reviewer has difficulty finding household members at home.
 - Any household that lives in an area where seasonal employment is likely during the time period under review.
 - Shelter costs or claimed expenses are higher than reported income.
- For known or claimed past employment, verify any changes (such as termination dates, final pay dates, and receipt dates), when they occurred, whether they were reported or unreported, and whether or not the changes were required to be reported.
- Conduct IEVS matches and other available employment verification sources, such as the Work Number, to verify any current or prior employment.

Note: When the IEVS check is done in accordance with [Section 512](#), and the results indicate employment within the three most recent quarters prior to the sample month, the reviewer must contact the household and the listed employers. There is no expectation to explore employment prior to the quarter preceding the initial certification.

- Obtain verification from employers or examine pay stubs, earnings statements, or other official pay documents, as needed to verify termination and final pay information.
- Include in the QC file all verification documents obtained, or thoroughly document if the reviewer viewed the verification, but was unable to obtain copies.

1021.3 Verification. The verification requirements in this section are minimum requirements (See [Section 513](#)). It is the responsibility of the reviewer to find all sources of income when determining the household's actual circumstances for the review period. If the reviewer finds reason to doubt the household circumstances (i.e., unexplained income, suspected seasonal work, etc.), the reviewer must:

- Thoroughly investigate questionable information;

- Verify the information;
- Resolve conflicting information; and
- Document how they determined which information is correct and why the differing statement was incorrect or incomplete.

IEVS. The reviewer must complete an IEVS check for all adult household members and household members under 18 not enrolled in school as a source to confirm the household's positive or negative allegation of earned income. (See [Section 512](#) on IEVS matching.)

No Further Investigation. When an IEVS check is done in accordance with [Section 512](#), if the IEVS records do not indicate recent employment and no indication of information to the contrary has arisen from other collateral contacts, or in other elements which would indicate questionable management of household expenses, then no further verification is required.

Further Investigation. Due to the potential lag time between employer submittal and agency system updates, when the IEVS check is done in accordance with [Section 512](#), and the results indicate employment within the three most recent quarters prior to the sample month; the reviewer must contact the household and the listed employers.

There is no expectation to explore employment prior to the quarter preceding the initial certification. Verification of the employment status during the review period, and any earnings during the review period must be documented.

1022 Self-Employment - 312. Self-employment income may be received in a variety of forms and payment schedules. Reviewers must ask all households if they have any income from self-employment enterprises keeping in mind that it is not unusual for more than one form of income to appear for a self-employment enterprise. QC must apply the State policy regarding which forms of earned income are considered self-employments and the treatment of that income (see [Section 1065.1](#)). Examples of self-employment income include but are not limited to:

- Farming or ranching;
- Income derived from rental property when a member of the household is actively engaged in management of the property at least an average of 20 hours per week;
- Payments from a roomer or boarder; or
- Independent contracting, including freelance and gig work (e.g. ride-share, freelance work, fee for service applications, dog walking, etc.).

Note: Self-employment income may be received in a variety of forms and payment schedules, including lump sum, fluctuating, seasonal, and regular "salary" payments, all of which could be annualized, averaged, or prorated as applicable (see [Sections 1013 and 1065.1](#)). Frequently, more than one form of income will appear for a self-employment enterprise.

Note: QC must apply the State policy regarding how these types of earnings are defined. Some States have policies that define which forms of earned income are considered self-employment or a different type of earned income. The reviewer must follow the State's definitions to appropriately budget the income, refer to Section 1023.

1022.1 Positive Allegation. When the household admits to or claims any self-employment, the reviewer must describe the type of enterprise and verify the amount of income by using as many of the following documents as necessary to establish an accurate record of income:

- Recent tax returns;
- Paid payment invoices;
- Receipts for business expenses;
- Household's statement about past earnings/expenses; or
- Household's statement about estimated earnings/expenses.

In determining expenses, the reviewer must follow certification policy to determine allowable business expenses.

1022.2 Negative Allegation. Self-employment income reported and used at certification but reported at the QC interview as terminated prior to the sample month will not be used in Comparison I. In the absence of contradictory evidence, the reviewer may accept the household's claim of no self-employment income. The reviewer must document why the household's claim was accepted.

1023 Other Earned Income - 314. Reviewers must follow State policies regarding how earned income is classified. The reviewer must ask if the household received other earned income, which includes but is not limited to:

- Training allowance from vocational and rehabilitative programs sponsored by Federal, State, or local governments to the extent they are:
 - Not a reimbursement
 - Not excludable by Federal law
- Income from other work or odd jobs (such as a paper route, running errands, cutting lawns, babysitting, or doing other "cash" jobs).

1023.1 Positive Allegation. The reviewer must follow procedures in the preceding sections on earned income to verify and document any other form of earnings acknowledged by the household. Other appropriate verifications such as receipts and statements by collateral contacts may be used.

1023.2 Negative Allegation. In the absence of contradictory evidence, the reviewer may accept the household's claim of no other earned income. The reviewer must document why the household's claim was accepted.

1030 VERIFICATION STANDARDS FOR UNEARNED GOVERNMENT BENEFITS. The reviewer must ask the household about the receipt and amounts of any unearned income identified in the case record. The household must also be questioned about any other unearned income by specifically mentioning each of the other types listed in the following sections. The reviewer must verify any such income items the household receives.

Negative allegations by the household of unearned income should be evaluated in the context of its complete circumstances and history. For example, review of the recipient's employment history may indicate possible eligibility for unemployment compensation or veterans' benefits. When such circumstances exist, the reviewer must document a basis for a decision of non-receipt of benefits regardless of the recipient's denial of receipt of income. (See [Section 512.](#))

1031 Retirement, Survivors, and Disability Insurance (RSDI) Benefits - 331. The reviewer must check Social Security Administration's (SSA) data exchange system for all household members to verify their positive or negative allegation, and the accuracy of the information they provide. Additional verification may be required, such as:

- Current SSA award letter
- Other SSA correspondence
- Direct contact with the SSA office to obtain RSDI benefit information

1032 Veterans' Benefits - 332.

1032.1 Positive Allegation. For standard verification, use the following:

- Current Veterans Benefits Administration (VBA) Award notice
- Direct contact with a VBA representative

1032.2 Negative Allegation. In the absence of evidence to the contrary, the reviewer may accept a household's statement.

1033 Supplemental Security Income (SSI) - 333. The reviewer must check the SSA's data exchange system for all household members to verify their positive or negative allegation, and the accuracy of any information provided. Additional verification may be required, such as:

- Current SSA award letter
- Other SSA correspondence

- Direct contact with the SSA district office to obtain SSI benefit information

1034 Unemployment Compensation - 334.

1034.1 Positive Allegation. The reviewer must verify the amount and date unemployment compensation was received. For standard verification use the following:

- Current award certificate
- Official correspondence
- Direct contact with the appropriate agency administering the unemployment compensation program

1034.2 Negative Allegation. See data matching requirements, [Section 512](#).

1035 Workers' Compensation - 335.

1035.1 Positive Allegation. For standard verification, the Workers' Compensation award notice is the best evidence. When the award notice is unavailable, the reviewer must contact the Workers' Compensation office to verify the amount of the payment received during the appropriate month.

1035.2 Negative Allegation. See data matching requirements, [Section 512](#).

1036 Other Government Benefits - 336. Other government benefits include but are not limited to Black Lung Benefits, Railroad Retirement payments, and payments to farmers by USDA.

1036.1 Positive Allegation. For standard verification use the following:

- Current award certificate
- Official correspondence
- Direct contact with the appropriate agency that provides the payments

1036.2 Negative Allegation. See data matching requirements, [Section 512](#).

1040 VERIFICATION STANDARDS FOR OTHER UNEARNED INCOME.

1041 Contributions/Income-In-Kind - 342. Contributions may include, but are not limited to, money received by the household from friends or family, or alimony payments.

1041.1 Alimony Payments. One important type of contribution is alimony payments. The reviewer must consider the household composition and circumstances to determine the likelihood of possible receipt of alimony. See [Section 1050](#) for verification procedures for child support.

Positive Allegation. The primary source of verification for declared alimony payments and contributions is contact with the person making the contribution. When support payments or contributions are made through a third-party, such as a court or probation office, verification can be made by collateral contact through the court or agency.

The reviewer must carefully evaluate the date of receipt and payment amounts relative to the review date.

Negative Allegation. The household's denial of receipt of alimony payments or contributions may be accepted in the absence of evidence to the contrary. If a conflict exists between the client's statement and other information from collateral sources, the reviewer must resolve the conflict. Verification, such as a statement from the person making the payments or copies of cancelled checks, must be obtained and the reviewer's determination documented.

Verification. The reviewer must pay particular attention to the dates of documents provided for verification. Documents that are old may have been amended later, and not be correct or current information.

- **From Household.** The following are documents or other records for verification generally available from the household:
 - Divorce or separation decree
 - Court order
 - Alimony check
 - Alimony agreement
 - Correspondence regarding alimony payments
 - Veterans Affairs (VA) / Department of Defense (DoD) documents
- **From Other Sources.** The following are other sources available for verification:
 - Court records
 - Lawyer's records
 - Canceled check of person making contribution

- Income tax returns or
- Employer's record of attached wages

1041.2 Income-In-Kind. Reviewers must verify no income-in-kind is counted as income in the calculation of the household's SNAP benefit. An example of income-in-kind is a rent-free apartment furnished as a part of the compensation package for a recipient working as a building manager. Income-in-kind should be excluded.

1042 Deemed Income - 343. If the household with a non-citizen member alleges no sponsor of the non-citizen, the reviewer must contact US Citizenship and Immigration Services (USCIS) for verification. If USCIS states there is a sponsor, the reviewer must follow up appropriately.

The amount of income deemed to the household from the sponsor (and the sponsor's spouse) of a non-citizen member of the household must be verified. This may be found by reviewing the documentation in the case record, including any corresponding Temporary Assistance for Needy Families (TANF) case information. If adequate verification is not found in the case records, the household must obtain the necessary documents from the sponsor or the sponsor's spouse. In addition, the reviewer must explore the possibility of income in excess of the amount deemed from a sponsor (or a sponsor's spouse). Any additional deemed income must be verified, documented, and included as income to the household. (See [Section 822.1.](#))

1043 PA or GA - 344. The receipt and amount of any Public Assistance (PA) or General Assistance (GA) payments the household claims must be verified either through contact with the paying agency (including screenshots from the paying agency) or from official correspondence from the agency. (See [Section 512.](#))

1044 Educational Grants, Scholarships, and Loans - 345. The reviewer must verify the following information:

- The source of income (i.e., Title IV, BIA, JTPA, Perkins Act);
- The amount of income;
- The period of time it was intended to cover;
- Any earmarked amounts for allowable expenses;
- Amounts used for tuition, mandatory fees, books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses) for the same period of time; and
- Origination fees and insurance premiums on loans.

Mandatory fees include the rental or purchase of any equipment, materials, and supplies related to the pursuit of the course of study involved.

Most educational assistance and tuition, including mandatory fees and earmarked amounts, can be verified by contacting the school the student attended. The provider agency, e.g., the Veterans Benefits Administration for some veterans' educational benefits, may provide verification for the exclusion of amounts used for the allowable costs.

Household circumstances regarding educational grants, scholarships, and loans, must be verified and the results documented on Form FNS-380, even if it is waived from counting as income.

1044.1 Positive Allegation. When a household admits a member receives educational grants, scholarships, and loans, the reviewer must verify the income and expenses through sources such as the following:

- Contact with the school the student attended
- Contact with the provider agency
- Receipts for expenses
- Prevailing transportation rates

1044.2 Negative Allegation. At a minimum, for households with a student, the reviewer must contact the school to document and verify whether or not the student received financial assistance for their education. The household's denial of receipt of financial assistance may be accepted in the absence of evidence to the contrary.

1045 Other Unearned Income - 346. The reviewer must verify the receipt and amount of other types of unearned income. The exploration of all income sources is an important part of the review, and unearned income, while always explored, may be particularly helpful in determining household management of expenses. Several examples of other types of unearned income are discussed below. ([See Section 512.](#))

1045.1 Foster Care Payments. When there is a foster child or adult in the household, the reviewer must verify through the appropriate office whether the child or adult is legally assigned to the household. The reviewer must also obtain verification of the amount of monthly foster care payments made to the household.

1045.2 Dividends and Interest. Reviewers must obtain statements that may show interest or dividends, including all savings accounts and checking accounts the household acknowledged accrue interest. Interest on savings accounts, bonds, and dividends, from investments such as stocks, may be paid annually or more frequently. At the time the household is certified, the participant is required to report such income. The EW may have averaged this

income at the request of the household or may have counted the income only in the month it was expected to be received.

The reviewer must determine if the household reported the receipt of such money, and the amount that should be considered income, during the appropriate month. If such income was averaged, the reviewer must also average in accordance with certification procedures. If the reviewer discovers such income, which was not reported either at the time of certification or at the time it was received, the interest or dividend must be counted as income in the month in which it was received.

Interest accrued on checking and/or savings account. To determine if the household has any accounts that accrue interest. Follow the steps below:

1. Review the case record for any interest-bearing accounts, including checking and savings accounts.
2. Ask the household whether there are any interest bearing accounts. If so, ask the amount of interest earned for the sample month and budget month when applicable.

Positive Allegation. When the household states they have a checking and/or savings accounts that accrues interest, the reviewer must verify the interest income and document the method of verification according to procedures in [Chapter 5](#).

If the reviewer is unable to obtain verification of the interest income, the reviewer must document their attempts to verify the interest income using the household and collateral contacts. The reviewer may then accept household statement for the amounts reported during the QC interview for the sample and budget months unless:

- The household received a lump sum payment within the last 12 months AORD.
- The household received substantial lottery or gambling winnings within the last 12 months AORD.
- If the case record indicates the household received more than a dollar in interest income at the time of the most recent certification action.

Negative Allegation. If the household states they do not have interest bearing accounts and therefore do not receive interest income and there is no evidence to the contrary, the household's statement can be accepted.

1045.3 Rental Income. Gross income derived from rental property must be

verified. The costs of doing business must be verified and excluded from the gross income.

1045.4 Pensions and Union Benefits. The reviewer must question the household about the receipt of any pension(s) or union benefits. The recipient's employment history may indicate possible eligibility for a company retirement pension. Past union membership could indicate possible benefits from that source.

If the household states it received pension(s) or union benefits, the source and amount must be verified using the procedures in [Section 1021.1](#). If the household denies receipt of such and there is no evidence to the contrary, the client's statement is sufficient. If the household circumstance or employment history indicate the possible entitlement or receipt of pension or union benefits, the reviewer must fully explore and document the basis for their determination.

1046 Temporary Assistance for Needy Families (TANF) - 347.
A type of Public Assistance (PA) program. (See Section 1043.)

Note: States have the option of counting Temporary Assistance for Needy Families (TANF) income prospectively in an otherwise retrospectively budgeted system. In addition, certain new members may be added under prospective budgeting for several months to an otherwise retrospectively budgeted household.

1050 CHILD SUPPORT PAYMENTS RECEIVED FROM ABSENT PARENT - 350. One common type of household unearned income in many SNAP cases is child support income. The composition of the household may indicate whether the reviewer should seek additional information regarding the probability of support payments.

Positive Allegation. The primary source of verification for declared support payments and contributions is contact with the person making the payments. When support payments or contributions are made through a third-party, such as a court or probation office, verification can be obtained through that agency. The reviewer must carefully evaluate the date of receipt and amount relative to the QC review date.

Negative Allegation. The reviewer must complete a two-step process to verify the negative allegation.

Step 1: The reviewer may accept the household's negative allegation if:

- If no child support payments are found through the child support enforcement agency, or
- the absent parent is incarcerated.

Step 2: If the absent parent is not incarcerated, and no payments are found through the child support agency, the reviewer must:

- Explore the possibility of support payments made directly to the household or voluntary support payments being made without legal liability to do so,
- Attempt to contact the person potentially liable for support if the location of the person is known, and
- Verify required information through the child support enforcement agency if the person denies making support payments during the period under review, or the person's location is not known, or they cannot be contacted.

Note: When contact is attempted, the reviewer must be sensitive to the delicate nature of the contact and proceed accordingly. If no contact is attempted because it would be inappropriate, the reviewer must document the circumstances and their decision. In situations involving family violence the reviewer must not attempt contact with the absent parent; however, documentation must be present, justifying the reviewer's decision not to contact the person. Documentation of family violence may include a written statement, legal documentation, or documentation of a verbal statement from a household member or collateral contact that family violence is a concern.

If a conflict exists between the client's statement and that of the absent parent or other collateral sources, the reviewer must attempt to resolve the conflict. Verification, such as a statement from the person making the payments, copies of canceled checks, or official documents from the child support agency, must be obtained and the reviewer's determination documented.

Verification.

- **From Household.** The following are documents or other records for verification generally available from the participant:
 - Divorce or separation decree
 - Court order
 - Contribution check
 - Support agreement
 - Correspondence regarding support payments
- **From Other Sources.** The following are other sources available for verification:
 - Court records
 - Payment history from a child support agency
 - Lawyer's records
 - Canceled check of person making contribution

- Income tax returns
- Employer's record of attached wages
- Statement of person making payment

1060 VARIANCE DETERMINATIONS. Once income has been verified, the reviewer must determine whether any variances exist in eligibility or budgeting.

- Procedures in [Section 1061](#) must be used for determining eligibility.
- Procedures throughout this Chapter must be used for budgeting.

The variance determination process for income is dependent on the type of income and the reporting requirements of the household. [Chapters 2](#) and [7](#) outline the review procedures used in determining variances for households subject to:

- Monthly reporting
- Quarterly reporting
- Simplified reporting
- Households receiving transitional benefits allowances

1061 Eligibility. Households must meet the gross and net income tests unless the household was categorically eligible. Households that contain an elderly or disabled member must only meet the net income test. All other households must meet both the gross and net income tests. The calculations and result of the gross and net income tests must be recorded, documented, and reported.

1061.1 Prospective Eligibility. For households participating based on prospective eligibility, the reviewer must apply the appropriate income test(s) to the income verified for the budget/sample month. If the household's budget/sample month income meets the income test(s), the household is prospectively eligible based upon income.

If the household's budget/sample month income exceeds the income limit(s), the reviewer must determine whether this is the result of a variance included in the error determination. If the variance is included, the case must be reported as ineligible. The reviewer must use the appropriate time frames for reporting and acting on changes to determine whether there is an excluded variance. (See [Chapter 7](#).)

1061.2 Retrospective Eligibility. For households participating based on retrospective eligibility, the reviewer must apply the appropriate Income test(s) to the income verified for the budget month. If the household's budget month income meets the income test(s), the household is eligible based upon income. If the household's budget month income exceeds the income limit(s), the case must be reported as ineligible, and a variance cited ([See Chapter 7](#)).

Note: This is for the eligibility test only (Section 620). The allotment test is completed based on the sample month circumstances for a Comparison I calculation as described in [Section 621](#), and when applicable a Comparison II is completed using the appropriate budget month circumstances as described in [Section 622](#).

1061.3 Categorical Eligibility. A categorically eligible household is eligible for SNAP benefits regardless of whether its income exceeded the limit(s) unless household member(s) are prohibited as indicated in [Section 841](#).

Note: If the household is CE (including traditional, narrow, and broad-based categorically eligible), gross and net income tests are not required. QC cannot remove CE conferment regardless of the amount of income verified for the sample month because SNAP QC reviewers do not review other programs and therefore cannot remove conferment of CE. An allotment test as described in [Section 620](#) will always be required to complete the review and determine whether there is an error in the case. The result must be recorded, documented, and reported.

If the reviewer becomes aware that a categorically eligible PA household has more income than allowed by the PA limit(s), this information must be reported to the agency but does not result in the case being reported as ineligible for SNAP benefits. When a case is found to have been incorrectly classified as categorically eligible by the State agency, the reviewer must use the income test(s) as applicable.

1062 Unearned Income. Households subject to change reporting requirements are only required to report changes in unearned income of more than \$125 in monthly income. QC must use the following procedures when reviewing unearned income in cases subject to change reporting requirements. These procedures apply to:

- Stable and fluctuating income;
- Prospectively and retrospectively budgeted;
- Reported/processed sources; and
- Unreported/unprocessed sources of unearned income.

A. Compare the QC verified budget month income to the worksheet amount.

- In [prospectively budgeted](#) cases the budget month is the sample month.
- In [retrospectively budgeted](#) cases the budget month is one or two months prior to the budget month, depending on the system used by the State.
- If there is no difference, there is no variance.
- Use the verified budget month 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/or computational errors by the EW; and/or
- Incorrect reporting (including failure to report) by the household at the time of certification, recertification, or the last reported change.

C. Compare the QC verified budget month amount to the corrected worksheet amount.

- If there is no difference, use the corrected worksheet amount in the error determination process, or
- If there is a difference, go to Step D.

D. Determine if the difference can be excluded based on:

- Reporting requirements in [Chapter 2](#), or
- Exclusionary time periods in [Chapter 7](#).

E. In the error determination process, QC must use:

- Corrected worksheet amount from Step B, if the difference is excludable, (resulting in no variance cited), or
- QC verified sample/budget month amount if the difference is not excludable (resulting in a variance cited).

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 budget/sample month unearned income, to determine if there was a change of more than \$125 in monthly income.

1062.1 More Than One Variance in an Income Source. 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 must use the QC verified budget month amount in the error determination process.
- If the latest variance is an excluded variance, the reviewer must use the income amount that reflects the full effect of the latest included variance(s).

1063 Prospectively Budgeted Earned Income \$125 Change Reporting. The following procedures apply to households that are required to

report changes greater than \$125 in the total monthly earned income, including:

- Reported/processed sources of income
- Income received in beginning and other months

Each State has the option of averaging or not averaging fluctuating earned income. Any income not meeting the definition of averaging must be considered as income that is not averaged. The same review procedure must be used for:

- Fluctuating income that was averaged
- Fluctuating income that was not averaged
- Stable earned income

For averaged income, QC must use the most recently calculated averaged income that is (or should have been) in effect for the sample month.

Example: The EW calculated a new income amount by averaging based on a required reported income change after certification but prior to the review date. QC determines the new average should have been used to determine the sample month's issuance but was not. For the corrected EW figure, QC must use the newly calculated income average.

When assessing the accuracy of the EW budget, QC must:

- Convert verified income for the appropriate month(s) as required; and
- Correct any misapplications of policy or incorrect computations.

In the error determination process, QC must use the following procedures for any vacation or sick pay received by the household.

- Count it as income in the month received;
- Count it as the same source as the normal pay source unless it is a terminated source; or
- Regard it as a non-recurring lump-sum payment if it was from a terminated source and was received once in a lump sum.

[Section 722](#) must be used to determine whether income from a new or terminated source is used in the error determination process.

Before completing the calculations outlined in [Sections 1063.1](#) and [1063.2](#), all reported earned income sources must be added together. If a case contains both reported and unreported sources of earned income, QC must treat:

- Any reported sources in accordance with [Section 1063.1](#) and [1063.2](#), as appropriate; and

- Any unreported sources in accordance with [Section 1063.3](#).

Interim Change.

1. For the purposes of determining the effective month of a certification action under [1063.1](#) and [1063.2](#), an interim change is a recalculation of SNAP benefits resulting from:
 - Change(s) reported by the household; and/or
 - Change(s) the agency becomes aware of through a source other than the household, including income-related mass changes, which includes but is not limited to:
 - SSA and SSI Cost-of-Living Adjustments (COLAs), or
 - Across the board adjustments to TANF.

Note: This does not include non-income related mass changes such as adjustments to standard utility allowances (SUAs).

2. The recalculation does not have to result in a change to the allotment. In order to be considered an interim change under this definition, the certification record must document two things have occurred:
 - A change is reported by the household, or the agency becomes aware of the change, and
 - The EW is required to act on the change, and the EW documented their decision that the household's allotment will not be affected by the change.

Effective Date of a Certification, Recertification, or Interim Change. In determining whether to use procedures in [1063.1 \(first and second month\)](#) or [1063.2 \(third month and later\)](#), the QC reviewer must consider when a certification action became effective rather than when the action was taken.

Example of an Effective Month After the Date of the Action: The EW recertifies a household on April 25 for May through October. May is the first effective month of the certification action.

Example of an Effective Month Before the Date of the Action: A household applies for benefits on September 10. On October 4, the EW certifies the household for September through December and issues benefits retroactively for September. Even though the certification action did not occur until October 4, the first effective month of the certification action is September, the month of initial certification.

The reviewer must use the following procedures to determine whether any variance exist. These procedures apply to both stable and fluctuating sources of earned income.

1063.1 First and Second Effective Months of a Certification

Action. If the budget/sample month was the first or second effective month of an initial certification, a recertification, or an interim change, the reviewer must review income using the procedures in this section.

This section must also be used for the third effective month if using procedures at [1063.2](#) would require the QC reviewer to examine a timeframe outside of the effective period of a certification action.

In the steps below, QC must use converted income as appropriate.

Comparison I.

Verify the sample month income. This income is used in the Comparison I allotment test at [Section 621](#). If the Comparison I allotment test results in an allotment difference greater than the current FY error threshold from the authorized allotment, proceed to the next comparison.

Comparison II.

1. For the allotment under review, correct the worksheet for each income source from the last time each was calculated when there is:
 - An incorrect report by the household,
 - A misapplication of policy, and/or
 - A computation error by the EW.

Note: The EW income figure (previously reported and processed) must be corrected

when a change was reported by the household or known to the agency, and the EW had time to make the change but failed to process the change.

2. Using [Section 722](#), determine whether any changes occurred in the household's circumstances that should have been in effect as of the review date, excluding unreported/unprocessed income. If any change should have been in effect, use the change in the error determination. If there was no change that should have been in effect, use the eligibility worker's corrected figure in the error determination.

Example of a change reporting case in which the eligibility worker's figures are used for the QC review:

Certification Period:	March 1 through August 31
Sample Month:	March
Certified:	February 25
Verified March Income (Comp I):	\$1025
Income on Worksheet (Comp II):	\$890

The eligibility worker correctly added together eight weekly pay stubs from January and February and averaged the income to \$890 monthly. The household correctly reported at the time of certification.

The reviewer will use \$890 in the Comparison II calculation because the income was correctly determined at the time of certification, and AORD insufficient time has passed since the certification action for any changes to be included in the allotment test.

Example of a change reporting case in which the eligibility worker's figures, following an interim change, are used in the QC review:

Certification Period:	January 1 through December 31
Sample Month:	March
Certified:	January 15
Interim Change:	February 10
Verified February Income (Comp I):	\$1000
Income on Worksheet (Comp II):	\$1204

The recipient was interviewed on January 2 and certified on January 15 with monthly income of \$210. On February 1, the recipient's employment changed from part-time to full-time. She received her first full time paycheck on February 7.

She reported the change to the State agency on February 8 and provided verification that she could expect to work about 35 hours per week at \$8.00 per hour. On February 10, the State agency prepared a budget effective March, based on monthly income of \$1204 ($\$8 \times 35 \times 4.3$). The reviewer will use \$1204 in the Comparison II calculation because the income was correctly determined at the time of the interim change, and AORD insufficient time has passed since the interim certification action for any changes to be included in the allotment test.

1063.2 Third Effective Month or Later Following a Certification, Recertification, or Interim Change. If the sample month was the third effective month of an initial certification, a recertification, or an interim change, the reviewer must review the income using the procedures in this section. If the review date is such that the following procedures would require the QC reviewer to examine a timeframe outside of the effective period of the certification action, QC must use [Section 1063.1](#).

This applies to most States for completion of March sample month cases, as well as States with 10+ days notice of adverse action periods.

In the steps below, QC must use converted income as appropriate.

Comparison I.

Verify the sample month income. This income is used in the Comparison I allotment test at [Section 621](#). If the Comparison I allotment test results in an allotment difference greater than the current FY error threshold from the authorized allotment, proceed to the next comparison.

Comparison II.

1. For the allotment under review, correct the worksheet for each income source from the last time each was calculated when there is:
 - An incorrect report by the household,
 - A misapplication of policy, and/or
 - A computation error by the EW.

Note: The EW income figure (previously reported and processed) must be corrected when a change was reported by the household or known to the agency, and the EW had time to make the change but failed to process the change.

2. Compare the QC verified sample month's income to the corrected EW's income figure or use EW figure if no correction was required.
3. In the error determination, QC must use:
 - The corrected EW income amount if the comparison results in a difference of \$125 or less
 - If greater than \$125, proceed to Step 4
4. Determine the amount of fluctuating income in the error determinant month.

- This is the first full month ending 30 days prior to the review date.
- The 30-day period is based upon regulatory time frames for reporting and acting upon changes.
- For States with notice of adverse action periods other than 10 days, the 30-day time frame must be adjusted up or down accordingly.

Example of case in which the eligibility worker's figures are used in the error determination (EW's figures vary by less than \$100 from the sample month):

Sample Month: November

Income for November:	November 6	\$230.91
	November 13	\$224.13
	November 20	\$260.93
	November 27	\$209.15
	Total	\$925.12

Income for May, June, and July:

May 4	\$209.42
May 11	\$201.46
May 18	\$122.13
May 25	<u>\$260.48</u>
Total	\$793.49

June 1	\$203.76
June 8	\$213.40
June 15	\$212.25
June 22	<u>\$195.39</u>
Total	\$1,040.26

July 6	\$194.64
July 13	\$213.25
July 20	\$147.16
July 27	<u>\$226.40</u>
Total	\$781.45

The eligibility worker, using the pay stubs from May, June, and July, calculated an average monthly income of \$872. The verified income for the sample month of November is \$925. The eligibility worker correctly computed an average. The income received during the sample month is within \$100 of the eligibility worker's figures.

Therefore, \$872 would be used in the error determination process.

Example of case with conversion error: Use the same income for May (\$793.49), June (\$1040.26), and July (\$781.45) as in the previous example. The eligibility worker was required to convert the income, but did not. The reviewer must correct the eligibility worker's figures by converting the income. The corrected income amount would be used as the corrected eligibility worker figure in the error determination process. The QC reviewer would convert the income for the sample month and for the first full month 30 days prior to the review date in doing the error determination.

Example of case in which the error determinant month is not the month two months prior to the sample month:

Certification Period:	June 1 through December 31
Sample Month:	November
Review Date:	Nov. 1

Verified November Income:	\$850
Verified August Income:	\$950
EW's figure for Income:	\$700

The State agency has a 13-day notice of adverse action period. The EW correctly computed monthly income of \$700 at certification. No interim changes have been processed since certification. The verified sample month income is \$850. Since this amount differs by more than \$125 from the EW's figure, the QC reviewer verifies income for August - the first full month ending 33 days prior to the review date. August income of \$950 is compared to the EW's figure and used in the error determination since it differs by more than \$125 from the EW's figure.

1063.3 Unreported/Unprocessed Sources of Earned Income. If an earned income source is never reported to the agency, or reported but never processed by the agency; QC must use the verified income received in the sample month (converted as appropriate) in the error determination process. The QC reviewer must:

- Use the procedures in [Section 1065](#), for unreported/unprocessed sources of income that should have been annualized or prorated, or
- Exclude any unreported source that began within the exclusionary timeframes.

1064 Prospectively Budgeted Earned Income - Status

Reporting. Households subject to status reporting requirements are only required to report changes in earned income when there is a change in:

- Source,
- Hourly rate/salary, or
- Employment status (part-time to full-time, or full-time to part-time).

QC must use the following procedures when reviewing earned income (both reported and unreported sources) in cases subject to status reporting. Income must be converted as appropriate.

1. Compare the QC verified sample month income to the EW income amount.
 - Comparisons must be made separately for each source of earned income rather than totaling income from all sources prior to the comparison.
 - If there is no difference, there is no variance. Use the EW income amount in the error determination process.
 - If there is a difference, proceed to Step 2.
2. If incorrect at the time of certification, recertification, or the last reported change, QC must correct the EW income figure for:
 - An incorrect report by the household,
 - A misapplication of policy, and/or
 - A computation error by the EW.
3. Compare the QC verified sample month amount to the corrected EW income amount (or use EW figure, if no correction required).
 - Comparisons must be made separately for each source of earned income rather than totaling income from all sources prior to the comparison.
 - If there is no difference, the reviewer must use the corrected worksheet amount in the error determination process.
 - If there is a difference, proceed to Step 4.
4. Determine if the difference can be excluded based on:
 - Reporting requirements in [Chapter 2](#), or
 - exclusionary time periods in [Chapter 7](#).

5. In the error determination process, QC must use:
 - The corrected EW income amount from Step 2, if the difference is the result of an excludable change (resulting in no variance cited).
 - The QC verified sample month income if the difference is not excludable, (resulting in a variance cited).

1064.1 Multiple Variances in an Income Source - Status

Reporting. QC must use the following procedures when more than one variance is found in an income source:

1. Arrange all variances in chronological order.
2. Determine if the latest variance is includable or excludable based upon:
 - Reporting requirement time frames (in [Chapter 2](#))
 - Time frames for acting on changes (in [Section 720](#))
3. In the error determination process, QC must use:
 - QC verified budget/sample month amount if the latest variance is includable
 - Income amount reflecting the full effect of the latest includable variance(s) if the latest variance is excludable

1065 Averaged Income.

1065.1 Self-Employment. Income from self-employment (SE) is budgeted based on the time period it is intended to meet the household's needs.

- When a household derives their annual SE income in a time period that is shorter than a full year, the income must be averaged over a 12-month period. The reviewer must average SE income over a 12-month period when it is intended to meet the household's needs for the entire year (see [Section 1013.1](#) regarding annualized income), even when the household received income from other sources in addition to the SE income.
- The reviewer must average SE income when it is expected to fluctuate over the certification period, see [Section 1013.3](#).
- The reviewer must prorate the SE income over the time period it is intended to cover when the income meets the household's needs for only

part of the year, see [Section 1013.6](#).

- For steady SE income that can be reasonably anticipated month to month there is no need to annualize, average, or prorate the income.

Reported Source of SE Income - When reviewing self-employment income, the reviewer must focus on the type of averaging used by the EW in handling the income and allowable income exclusions when the income was last calculated.

Note: States have flexibility in their definition and treatment of SE income. QC reviewers must review to State policy as appropriate.

If incorrect at the time of certification, recertification, or when changes were subsequently reported, the reviewer must correct the EW income amount for:

- An incorrect report by the household,
- A misapplication of policy, and/or
- A computation error by the EW.

The correction must be done regardless of whether the EW anticipated income or projected income. Unreported changes in amount after the time of certification or recertification are not considered, unless required under their assigned reporting system. The corrected worksheet amount must be used in the error determination process.

Unreported Source of SE Income - When a household fails to report a source of SE income, the reviewer must calculate an average monthly figure to be used in the error determination process based on the best information available AORD provided:

- The source was in existence at the time of certification or recertification, or
- The household subsequently became self-employed and the change cannot be excluded based on the reporting requirements and timeframes for reporting under their assigned reporting system and timeframes for acting on changes.

1065.2 Contract Income. Households that derive their annual income by contract in a period of time shorter than one year must have the contract income averaged over a 12-month period, provided it is not received on an hourly or piecework basis.

Reported Source of Contract Income -

If incorrect at the time of certification or recertification, QC must correct the EW amount for:

- An incorrect report by the household,
- A misapplication of policy, and/or
- A computation error by the EW.

Example of an Unreported Change in a Reported Source: A household which includes a teacher, was certified from October through the following September based on an annual income of \$27,000 or \$2,250 a month. The teacher received a 2 percent pay raise on January 1 but failed to report the change. The sample month was March. The reviewer must re-annualize over the 12-month period and divide by 12 to determine the monthly income amount to be used in the error determination process.

The reviewer must then make an adjustment for any subsequent changes that cannot be excluded based on the reporting requirements and the time frames for reporting and acting on changes. The corrected monthly amount must be included in the error determination process.

Unreported Source of Contract Income - When a household failed to report a source of contract income, the reviewer must calculate an average monthly figure to be used in the error determination based on the best information available AORD, provided:

- The source was in existence at the time of certification, or
- the household subsequently obtained the contract income and the change cannot be excluded based on the time frames for reporting under their assigned reporting system and time frames for the agency to act on changes.

1065.3 Educational Income. Scholarships, deferred educational loans and other educational grants, after exclusions, must be averaged over the period it is intended to cover. Educational income is not counted until the month in which it is received or anticipated with reasonable certainty to be received. After allowable exclusions, the income is prorated over the period it is intended to cover.

Reported Source of Educational Income - If incorrect at the time of certification or recertification, QC must correct the EW income amount for:

- An incorrect report by the household,
- A misapplication of policy, and/or

- A computation error by the EW.

The reviewer must make an adjustment for any subsequent changes that cannot be excluded based on the reporting requirements and the time frames for reporting and acting on changes. The corrected monthly amount must be used in the error determination process.

Unreported Source of Educational Income - There are times when a household fails to report a source of educational income that should have been included in the budget month. In these circumstances QC must calculate a monthly figure by averaging the unreported income AORD for the period it was intended to cover and used in the error determination process, provided:

- The source was in existence at the time of certification or recertification, or
- the household subsequently received the income and the change cannot be excluded based on reporting requirements and the timeframes for acting on changes.

1066 Households with More Than One Type of Income. This section is used for households with more than one type of reported/processed income. Types of income include:

- Earned (status or change reporting)
- Unearned
- Annualized or prorated income

This section must not be used for households with income from more than one source when the sources are the same type of income, or they have the same reporting requirements.

Example: A household is certified with income from two different employers. Even though there are *two sources* of income, there is only *one type* since both are earned, and both are subject to the same household reporting requirement.

Therefore, income in this example is reviewed using procedures for earned income, based on the household's income reporting requirement.

When a household has *more than one type* of income, QC must use the procedures below, converting income as appropriate:

Comparison I.

1. Verify the amount of each type and source of income in the sample month income, including any unreported/unprocessed income. All types of income must be added together. The income is used in the Comparison I allotment test at [Section 621](#).
2. If the Comparison I allotment test results in an allotment difference greater than the current FY error threshold from the authorized allotment, proceed to the next comparison.

Comparison II.

1. Follow the appropriate procedures from [Sections 1062](#), [1063](#), [1064](#), and/or [1065](#) for the various types of income received by the household. The reviewer must separately evaluate each type of income.
2. Use the total of the separately determined income figures in the error determination process.

In the following examples, the State agency has a 10-day notice of adverse action period unless otherwise specified.

Example of three types of income, with a change too small for a significant impact on the allotment:

Sample Month:	August	
Certified:	May 15	
No interim change		
Type of Income	At Certification	Verified for August
Earned income amount:	\$325	\$312
Unearned income amount:	\$100	\$100
Prorated income amount:	<u>\$225</u>	<u>\$225</u>
Total	\$650	\$637
Allotment for 3	\$235	\$238

The QC reviewer determined the income used at certification was correct. Since the allotment based on the sample month income varies by less than the current FY error threshold for citing a QC allotment error, the case is determined complete with a \$3.00 underissuance.

Example of three types of income, with a change not included in the final error determination:

Sample Month: August
 Certified May 15
 No interim change

Type of income	At Certification	Verified for August	Final Error Amounts
Earned income amount:	\$325	\$610 (Status)	\$325
Unearned income amount:	\$100	\$100	\$100
Prorated income amount:	<u>\$225</u>	<u>\$225</u>	<u>\$225</u>
Total	\$650	\$935	\$650
Allotment for 3	\$235	\$167	\$235

The QC reviewer determined the income used at certification was correct. Since the allotment based on the sample month income varies by more than the current FY error threshold for citing a QC allotment error, the reviewer must review each income type independently. [Section 1062](#) was used to evaluate the unearned income which was determined to be correct. [Section 1065](#) was used to evaluate the prorated income which was determined correct. [Section 1064](#) was used to evaluate the status reporting earned income and it was determined the income at certification was correct. There were no required reportable changes because the QC reviewer determined the increase in income was not a reportable change under status reporting. The overall error determination was that the case was correct.

Example of two types of income, with changes that must be included in the final error determination:

Sample Month: August
 Certified: May 15
 No interim change

Type of income	At Certification	Verified for August	Final Error Amounts
Earned income amount:	\$520	\$560 (status)	\$560
Unearned income amount:	\$400	\$550	\$510
Total	\$920	\$111	\$1070
Allotment for 3	\$464	\$407	\$419

The QC reviewer determined the income used at certification was correct. Since the allotment based on the sample month income varies by more than the current FY error threshold for citing a QC allotment error, the reviewer must review each income type independently. [Section 1062](#) was used to evaluate unearned income. The reviewer determined that there were two unreported changes. Unearned income became \$510 in July and \$550 in August. The change to \$510 is an includable variance. The change to \$550 is excludable as it is within the timeframes for reporting and acting on changes. [Section 1064](#) was used to evaluate the status reporting earned income, and it was determined that there was an unreported wage increase from \$6.00 per hour to \$6.50 per hour in June, which is an includable variance. The final error determination is based on income of \$1070 and results in an allotment error of \$45 (464 - 419), which is below the current FY error threshold to be included in the State's official error rate.

1070 INCOME FROM INELIGIBLE HOUSEHOLD MEMBERS. The size of a SNAP household is always reduced by the number of ineligible members; however, the way income is handled varies depending upon the reason an individual is ineligible.

1070.1 Income That Must be Counted Entirely. The income received by a household member disqualified for certain program violations, felony drug conviction, fleeing felony disqualifications, and workfare or work requirement sanctions are considered available to the household in its entirety; however, for purposes of the eligibility income test(s), the household size must be reduced by the number of disqualified individuals. In all other respects, the income received by these ineligible household members is examined consistent with the policies and procedures for any other income.

1070.2 Income That Must be Counted on a Prorated Basis. In some instances, the income received by individuals who are ineligible for the program is prorated among the ineligible individual(s) and the remaining household members. The reviewer must use the following procedures when a household member is ineligible due to SSN disqualifications, comparable disqualifications, child support disqualifications, ineligible ABAWDs, and ineligible non-citizens as appropriate, based on State policy options:

- Reduce the household size by the number of ineligible individuals in establishing income eligibility standards for the household.
- Exclude the prorated share attributed to the ineligible individual(s) from the eligibility income test(s).
- In all other respects, the income received by these ineligible household members is examined consistent with the policies and procedures for any other income.

1080 NON-COMPLIANCE WITH OTHER PROGRAM RULES. Some households receive cash assistance through a Federal, State, or local means-tested program such as TANF. Failure of a household member to perform an action required by such a public assistance program may result in their cash benefit being reduced, suspended, or terminated. The household's SNAP allotment must not be increased as the result of the decrease in the cash assistance income.

The State agency may reduce the household's allotment by not more than 25%. The 25% reduction in SNAP benefits must be based on the amount of SNAP benefits the household should have received under the regular SNAP benefit formula, taking into account its actual (reduced) income.

Note: Examples of programs which are not means-tested include RSDI, Railroad Retirement, and Unemployment Compensation. These benefits are not considered under this provision.

1080.1 Desk Review. The reviewer must examine all State agency records for the household to determine if the State agency was aware of a penalty AORD. If so, the reviewer must also determine whether the State agency was aware the penalty was caused by a failure to comply.

1080.2 Field Investigation. The reviewer is not required to investigate penalties of which the State agency was not aware; however, if the reviewer uncovers a type of assistance received AORD but not included in the certification action, the reviewer must re-examine the State agency's records about the penalty.

The determination regarding failure to comply with another program's requirements is made by the agency administering that program. Under no circumstances can the

QC reviewer make a determination or challenge a determination that has already been made.

If a good cause determination for failure to comply with program requirements has been made by the State agency, that good cause determination itself is not subject to challenge by the reviewer.

1080.3 Verification. The reviewer must examine State agency records to determine whether the State agency was aware of any reduction, suspension, or termination of any Federal, State, or local means-tested assistance program as of the sample month. If another agency determines the penalty was caused by the failure of the household to perform a required action, the penalty must be accepted, and it is not subject to further examination by QC.

The reviewer must verify and document the following:

- Amount of the penalty for the appropriate months
- Reason for the penalty
- Date of which the State agency became aware of the amount and reason

1080.4 Identification of Variances. A variance exists only if:

- The household's penalty was caused by a failure to comply, the State agency was aware of both the penalty and the cause, and the State agency either did not count or counted the wrong amount of the penalty as income; or
- the State agency erroneously reduced SNAP benefits.

1080.5 Treatment of Variances. The reviewer must consider the date the State agency became aware of the penalty and its cause as the date of a reported change. The reviewer must apply appropriate time frames and requirements for reporting and acting on changes in household circumstances.

Variances will only be cited if the State agency was aware of the penalty in the other means-tested program and failed to adjust the SNAP benefits appropriately. In the error determination process, the reviewer must:

- Include the benefit amount of the other program, which should have been used in determining SNAP benefits for the sample month.
- Exclude penalties of which the State Agency was not previously aware.

If a variance is included, the reviewer must correct the EW figure for:

- Misapplication of policy

- Failure to act or correctly act on reported information and
- Computational errors

For purposes of correcting the EW figures, the reviewer must use State agency procedures as long as these procedures meet minimum Federal guidelines. In the absence of procedures, or when procedures do not meet Federal guidelines, the reviewer must use the penalty amount from the budget month. The corrected figure is used in the error determination process.

1080.6 Other Deficiencies. The reviewer must not consider deficiencies that occur as a result of non-compliance, other than those specified in [Sections 1080 - 1080.5](#). When other deficiencies are not being considered in the QC review, documentation is required. For example, the State agency's failure to investigate the cause of a decrease in another program's benefits must not be considered as a variance unless the case record contains documentation identifying the penalty as an intentional failure to comply.

Chapter 11

DEDUCTIONS

1100 DEDUCTIONS. There are six allowable deductions from a household's income in SNAP:

- Earned income deduction
- Dependent care deduction
- Standard deduction
- Shelter deduction
- Medical deduction
- Legally obligated child support payment deduction

1110 REVIEW OF DEDUCTIONS. The following paragraphs and examples show how to handle allowable deductions.

1111 Deductions as Billed. In general, a household becomes entitled to a deduction when it receives a bill or, if there is no bill, when the expense otherwise becomes due. Exceptions to this general rule are noted in this chapter. When an expense is paid using a charge or credit card account, the expense is considered "billed" when the household received its charge account or credit card statement.

- A household may choose to average periodic billings over the interval between scheduled billings or over the period the expense is intended to cover.
- A household may choose to average one-time only expenses, other than medical expenses, over the entire certification period in which they are billed.
- A household may choose to average one-time only medical expenses over the remainder of its certification period.

Examples of Allowing a Deductible Expense as Billed, not as Paid:

A household did not receive a monthly bill for its rent; however, it did sign a lease that required a rental payment of \$125 monthly throughout the certification period. In calculating the household's shelter expenses, the reviewer would include the rent of \$125 as "otherwise becoming due."

A household paid \$17.62 for electricity on March 7 (billed in February). The household was billed \$32.16 for electricity on March 20. In calculating the household's shelter expenses for March, the reviewer would consider \$32.16 for March, as the amount billed.

SNAP does not allow deductions solely based on a household's actual payments. For these deductions, the reviewer must concentrate on dates and amounts of billings, and not on dates and amounts of payments. The reviewer must discuss and document billing of deductions with the household.

Documentation should include the discussion with the client about when they considered the expense billed. An exception to this general rule is the child support deduction.

Example of When an Expense is Considered Billed If Paid by Credit Card:

An elderly household member visited a doctor on March 8th. Since payment was due at the time of service, she charged the bill on her credit card that same day. The credit card company billed the household member on a statement she received on May 2nd. After discussion with the client the eligibility worker (EW) would consider this expense as billed in May because the client states she is billed when she gets her credit card statement.

The reviewer may use information about the method of payment to determine when an expense was billed (as with credit cards and charge accounts), however, payments are not the basis for deductions. The reviewer must use information about payments to determine a household's cash flow. For example, does the household spend more than it receives? This information may be useful in investigating household composition and income.

1112 Expenses Paid by Excluded Vendor Payment. When a person or organization outside the household pays a household's expenses directly to another party (like a doctor, a landlord, or a babysitter), those payments are called vendor payments.

SNAP excludes some vendor payments from the household's income.

When vendor payments are excluded from income, the household is not allowed a deduction for the expenses covered by the vendor

Example of an Expense Paid by Excluded Vendor Payment:

A household was billed \$200 for rent each month of its certification period. A charity paid \$150 of the rent each month directly to the landlord. In calculating the shelter deduction, the household's rent was \$50. The \$150 charity payment is an excluded vendor payment.

payments. The reviewer must ensure that dependent care, shelter, and medical expenses are not deducted when someone pays those expenses by excluded vendor payment. Low Income Home Energy Assistance Program (LIHEAP) payments are the exception, see [Section 1156](#).

Example of Assistance That Was Not an Excluded Vendor Payment: A household was billed \$200 for rent each month of its certification period. A charity gave the household \$150 each month to help pay the rent. In calculating the shelter deduction, the household's rent was \$200. The \$150 charity payment to the household was not an excluded vendor payment. The \$150 given directly to the client is counted as income, and they get the full shelter deduction.

1113 Deductions Disallowed at Certification or Recertification.

When a household was entitled to a deduction at 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 failed to report expenses at certification or recertification after the State agency informed the household, typically in disclaimer language on the application, that such failure resulted 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 certification application that it incurred shelter expenses of \$500 in rent and no utility expenses were reported. The EW certified the household with the \$500 rent used in the determination of the shelter deduction. The application contained a statement informing the household that they forfeited the right to a deduction of household expenses if they failed to report the expense. The reviewer verified shelter expenses of \$500 rent, plus utilities. When completing the review, the reviewer allowed the rent, and disallowed the utilities, in the shelter deduction calculation. Assuming no other variances exist, this case would be completed as correct with no error.

Example of an Expense Disallowed for Failure to Report Expense at Application: A household indicated on its certification application that it did not incur any dependent care expenses. The EW noted in the case file 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 found the household had unreported dependent care expenses. The reviewer would not include a dependent care deduction in the calculation because the household failed to report it at certification.

For the first two exceptions, the reviewer must exclude the variances if the State agency documented in the case record why the household did not receive the

deduction for the reported expenses. The State agency documentation must be dated between the household's application date covering the sample month and the review date. The reviewer must document on the FNS-380 their reason for excluding the variance, including what the EW documented in the case record.

For the third exception, the reviewer must exclude the variances if the State agency documented the case record to show the statement informing the household of its right to claim the deduction. The documentation 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. The reviewer must document on the FNS-380, the reason the variance is excluded and the statement documented by the EW in the case record.

Note: The reviewer does not need to verify deductions that are disallowed for any of the three above exceptions for either Comparison I or II. See also [1161.1](#) and [1161.3](#).

Other Circumstances:

Deductions disallowed at certification or recertification under one of the provisions listed above must be included in the error determination under certain unique circumstances. When the household reports and/or verifies an expense and the agency fails to allow the deduction; include the deduction in the error determination. The household must have reported the expense subsequent to the

certification action but prior to the sample month (allow for exclusionary time frames).

Example of an Expense Disallowed for No Documented Reason: A household stated at certification that it paid court ordered child support of \$400 monthly. The EW did not allow a child support deduction, and there was no documentation in the case record explaining why the deduction was not allowed. The reviewer verified the court ordered child support payments of \$400 monthly. In completing the final review findings, the reviewer would include a child support deduction of \$400 in the calculation. Assuming no other variances exist, this variance would cause an underissuance.

Example of an Expense Not Reported After Certification or Recertification: A household indicated on its certification application that they did not incur 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 at certification a shelter expense of \$400 in rent and a separate billing for utilities. While the reviewer determined the household incurred shelter expenses of \$400 with a separate billing for utilities, the household was not entitled to the deduction; therefore, the expense was disallowed. 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 as well as utilities for heating and or cooling. This entitled the household to the Standard Utility Allowance (SUA).

1114 Special Treatment of Variances. Procedures in [Chapter 7](#) outline most instructions for including and excluding variances; however, there are aspects of deductions that require special treatment. These aspects are outlined under the subject "special treatment of variances" which appear in [Section 1130.4](#) for dependent care, [Section 1161](#) for standard utility allowances, and [Section 1170.5](#) for medical deductions.

1120 EARNED INCOME DEDUCTION - 321. The earned income deduction is 20% of the household's total earned income.

Note: Before computing the 20% earned income deduction, the reviewer must exclude the costs of doing business of self-employment enterprises to arrive at total earned income. The total earned income amount appears on line 1 of the computation sheet.

Example of One Way to Calculate the Earned Income Deduction:

\$763 total earned income
x.20 deductible percentage
\$153 deductible amount

\$763 total earned income
-\$153 deductible amount
\$610 earned income minus the deduction

Example of Another Way to Calculate the Earned Income Deduction:

\$763	total earned income
x.80	non-deductible percentage
\$610	earned income minus the deduction

1120.1 Documentation. Documentation (other than on the computation sheet) is necessary only if there was a variance in the amount of the earned income deduction. If there was such a variance, the reviewer must explain the mistake in policy or in arithmetic computation in the FNS-380.

1120.2 Verification. Verification of the earned income deduction is not required since the amount of the deduction depends totally upon verified earned income.

1130 DEPENDENT CARE DEDUCTION - 323. A household is entitled to the dependent care deduction, if it incurs out-of-pocket costs for the care of a dependent because such care is necessary for a household member to:

- Accept employment
- Continue employment
- Search for employment
- Comply with Employment and Training requirements
- Make an effort equivalent to job search if not subject to job search
- Attend training
- Pursuing education that is preparatory to employment

If an attendant care expense can qualify as both a dependent care deduction and a medical deduction, the State can choose which deduction type the household receives. The household cannot receive both deduction types for the same expense.

1130.1 Deductible Expenses. A household may deduct the amount of the dependent care expense billed by the person who provides the care. The care provider cannot be a member of the SNAP household requesting the deduction, but they can be living at the same address. In-kind benefits, like meals and lodging, are not deductible expenses. The reviewer will convert or prorate expenses as appropriate.

Expenses include transportation costs to and from the care facility, activity fees or other fees. Examples include subsidy expenses and late fees associated with the care provided to the dependent that are necessary for the party to participate in

the dependent care (these expenses and fees do not have to be mandatory but must be specific and identifiable).

Deductions are governed by certification policy.

1130.2 Documentation. The reviewer must document:

- The name of each dependent receiving the dependent care;
- The name, address and phone number of the person providing the dependent care;
- The reason the household was entitled to a deduction (see [Section 1130](#));
- The amount of the dependent care cost in the appropriate month or months including frequency of pay;
- The time periods covered by dependent care expenses;
- The verification obtained, including the date verification was received and how it was obtained; and
- Explanation of any variances, including whether the variance is included or excluded.

1130.3 Standard Verification.

- Bills for deductible expenses from the appropriate month or months
- A statement from the provider concerning the appropriate month(s) and the amount(s) and date(s) billed

1130.4 Special Treatment of Variances. This section provides instructions on special handling of the dependent care deduction.

- **Expenses Not Reported at Certification or Recertification.** If a State agency's application and recertification forms for SNAP do not include a statement about forfeiting the household's right to a deduction for failing to report expenses, and the household failed to report a dependent care expense that existed at certification, the reviewer will determine the error by including the amount of the expense at the time of certification.

Example of the Household's Failure to Report an expense in 1130.4: At certification, the household failed to report a \$200 monthly dependent care expense. The reviewer verified the household was billed \$200 monthly for dependent care. Although the expense existed at time of certification, the expense was not reported and the application did not include the disclaimer language. The reviewer must include the expense for the time of certification.

If the household failed to report a periodic or annual expense at certification and the expense existed for the budget month, the reviewer will prorate the bill over the interval between billings. The reviewer will then use the prorated amount.

- **Change Reporting and Unreported Changes Subsequent to Certification or Recertification.** A change reporting household is not required to report changes in its dependent care costs. Therefore, if a variance is attributed to an unreported change subsequent to certification, the reviewer will exclude the variance and document the reason for the variance exclusion.

Example of a Reported Change the State Was Required to Process, and an Unreported Change the Household was Not Required to Report:

At certification, a household correctly reported and received a deduction for \$100 in monthly dependent care expenses for a three-month old child. On May 14, the household reported and verified a decrease in their dependent care expenses to \$80 on their periodic report. The agency failed to act on the reported change.

On July 20, the household's dependent care expenses dropped again to \$60 monthly, but the household did not report the change. The reviewer verified and budgeted \$60 in monthly dependent care expenses for the sample month of September (change reporting, prospective eligibility and budgeting). For Comparison II, the reviewer will exclude the variance because the household was not required to report the drop in its dependent care expenses after the periodic report, and must include the \$80 dependent care expenses.

- **Expenses Reported at Any Time and Not Correctly Processed.**

If a household reports its circumstances and the State agency does not correctly process the deduction, the reviewer must follow these procedures: (converting or prorating as appropriate).

- If the State agency made a mathematical mistake, the reviewer must document and correct the mistake; and/or
- If the State agency misapplied policy, the reviewer must document and correct the misapplication of policy.

1140 STANDARD DEDUCTION - 361. The State agency must deduct the standard deduction for all households. The amount of the standard deduction is determined by household size and minimum deduction levels.

1140.1 Documentation. Documentation (other than on the computation sheet) is necessary if there was a variance in the amount. If there was such a variance, the reviewer must explain the mistake in policy or in arithmetic.

1140.2 Verification. Verification of the standard deduction is not required.

1150 SHELTER DEDUCTION - 363. A household may deduct some or all of its excess shelter expenses.

$$\text{Excess Shelter Expense} = \text{Total Shelter} - \frac{(\text{Income} - \text{Other Deductions})}{2}$$

1150.1 Calculation of Shelter Deduction.

- **Elderly/Disabled Households.** These households may deduct all of their excess shelter expenses because there is no excess shelter limit for elderly/disabled households.
- **Other Households.** Non-elderly/disabled households may deduct excess shelter expenses up to the limit for their area. The State agency must use the limit for the sample month.

Example of a Second Mortgage: A household's monthly payment on its first mortgage was \$350. The household also took out a second mortgage to buy an automobile. The monthly amount of the second mortgage was \$75. In calculating the shelter expenses, the reviewer would allow \$425 in monthly mortgage expenses.

1151 Rent or Mortgage. The entire rent or mortgage obligation for the household's shelter is a deductible expense. Mortgage costs may include condo and association fees, or other continuing charges leading to the ownership of the shelter, which are all allowable expenses. Multiple mortgages (like second mortgages) for the same shelter are all deductible, as are lot rents for trailers/mobile homes. (See [Section 1154](#), Unoccupied Home.)

Households in which all members are homeless but are incurring or reasonably expect to incur shelter expenses within the month, are subject to special provisions in the calculation of shelter expenses. The shelter expenses for these households must be:

- The standard homeless shelter deduction (See [Section 1157](#)), or
- At the option of the household, actual verified shelter expenses that exceed the standard homeless shelter deduction.

1151.1 Documentation. The reviewer must document the:

- Address or location of the dwelling;
- Type of billing (rent or mortgage);
- Verification obtained and the date obtained; and
- Explanation of any variances, including whether the variance is included or excluded and correct calculations when necessary.

1151.2 Standard Verification.

- Statement covering the review period from the institution(s) holding the mortgage(s)
- Rent or mortgage receipt covering the review period
- Statement by the landlord or manager of the obligated rent in the month under review
- Lease covering the review period

Note: In situations where the expense is not in the name of anyone in the household, the reviewer must clarify why and document this in the QC review record. Documentation must include all steps taken in an attempt to verify the household is responsible for the expense.

1152 Property Taxes. Property taxes, State assessments, and local assessments on the household's home and property are deductible expenses. Personal property taxes are not deductible expenses.

1152.1 Documentation. The reviewer must document:

- The types of taxes and assessments;
- The amounts of taxes and assessments;
- The time period covered by taxes and assessments;
- The verification obtained and date obtained;
- Whether the property taxes are part of the mortgage payment; and
- Explanation of any variances, including whether the variances are included or excluded and correct calculations when necessary.

1152.2 Standard Verification.

- Bills from the taxing authorities
- Statements from the taxing authorities

1153 Property Insurance. Property insurance premiums on the home itself are deductible expenses. Insurance premiums on personal property and furnishings are not deductible.

1153.1 Documentation. The reviewer must document:

- The type of property insurance;
- The amounts of property insurance bills;
- The time periods covered by insurance bills;
- The name, address, and phone number of the insurance company;
- The verification obtained and date obtained;
- Whether the property insurance premium is part of the mortgage payment; and
- Explanation of any variances, including whether the variances are included or excluded, and correct calculations when necessary.

1153.2 Standard Verification.

- Bills from the insurance company
- Statements from the insurance company
- Insurance policies

1154 Unoccupied Home. A household may deduct the shelter costs of a temporarily unoccupied home under certain conditions.

The absence from the unoccupied home must be due to one of the following circumstances:

- Employment away from home
- Training away from home
- Illness
- Abandonment caused by a natural disaster or casualty loss

In addition, the household must meet *all* of the following circumstances:

- The household must intend to return to the home;
- Any resident of the home during the budget/sample month must not claim the shelter expenses for SNAP benefits in another case; and
- The home must not be leased or rented during the household's absence.

1154.1 Documentation. The reviewer must document the:

- Address of the unoccupied home;

- Household's entitlement to the deduction;
- Verification obtained and date obtained; and
- Explanation of any variances, including whether the variances are include or excluded.

1154.2 Standard Verification.

- Standard verification as listed for other shelter expenses
- Statements from any persons residing in the other home
- Documented statements from the case record

1155 Repairing a Damaged Home. The repair costs of a home are deductible only if the home was substantially damaged or destroyed by a natural disaster. These repair costs are not deductible if they have been or will be reimbursed from any source.

1155.1 Documentation. The reviewer must document:

- Cause of the damage;
- Cost of the repair;
- Verification obtained and date obtained; and
- Explanation of any variances, including whether the variances are included or excluded, and correct calculations when necessary.

1155.2 Standard Verification.

- Bills from providers
- Correspondence from the providers

1156 Utilities (Other Than the Standard Utility Allowance). A household may deduct a utility expense unless the State agency certified the household by using a standard utility allowance. Deductible utilities include (but are not limited to):

- Fuel for cooking
- Cooling or heating costs
- Electricity
- Wood purchased for heating
- Water
- Sewage
- Garbage and trash collection
- The basic service fee for one telephone (landline or cellular phone, contract or non-contract, including tax on the basic fee)

- Fees charged by the provider for installing the utility

An expense is not allowable if it is covered by an excluded vendor payment or by a reimbursement. The only exception to this concerns households entitled to a SUA because they received the minimum payment for LIHEAP in the month of application, or in the immediately preceding 12 months prior to the application.

LIHEAP is the Federally funded Low-Income Home Energy Assistance Program, overseen by the US Department of Health and Human Services, and administered by States. State programs may operate under another name such as, Home Energy Assistance Program (HEAP).

1156.1 Documentation. The reviewer must document the:

- Type of utility;
- Amounts of bills;
- Utility companies;
- Time periods covered by utility bills;
- Verification obtained and date obtained; and
- Explanation of any variances, including whether the variances are included or excluded, and correct calculations, when necessary.

Note: For SUA authorized through LIHEAP payments, documentary evidence the household received minimum payment within the allowable timeframes must be in the review record.

1156.2 Standard Verification.

- Bills from the utility companies
- Statements from the utility companies
- Statements or receipts from the company or individual that sold the household wood, propane, or heating oil.

Note: A landlord's statement is only acceptable to verify utility expenses if the landlord bills for individual usage, or charges a flat rate separately, from the rent for utilities; otherwise, the standard verifications listed above must be used.

Note: In situations where the expense is not in the name of anyone in the household, the reviewer must clarify why and document this in the QC review record, including all steps taken in an attempt to verify the household is responsible for the expense.

1157 Homeless Shelter Deduction. A State agency must use a standard homeless shelter deduction unless the household chooses to use actual

expenses.

1157.1 Documentation. The reviewer must document:

- The household's status as a homeless household;
- The household's incurring of shelter expenses that entitle it to the homeless shelter deduction during the budget month;
- The amount the household declares it incurred in shelter expenses;
- The household's decision to use actual expenses, if applicable.

1157.2 Standard Verification. For the household's homeless status and for the incurring of shelter expenses:

- Statements from employees and volunteers of homeless shelters, halfway houses, etc.
- Statements from individuals who made temporary accommodations available
- Statements from providers of social services

Note: The reviewer must seek verification the household incurred a shelter expenses to qualify for the standard. When the homeless shelter deduction is used, the reviewer is not required to verify all of the homeless household's actual shelter expenses for the budget/sample month.

1157.3 Variances. Below are some examples of homeless shelter deduction variances that may exist:

- The State allowed the homeless shelter deduction although the household was not homeless.
- The State allowed the homeless shelter deduction although the household received free shelter throughout the month.
- The State allowed the homeless shelter deduction although the household's shelter expenses were extremely low and the State agency's policy was not to allow the deduction in that situation.
- The State did not allow the homeless shelter deduction when the household was entitled to it.
- The State allowed the homeless shelter deduction when the household decided to deduct actual shelter expenses, as documented in the case record.

Whether the variances are included or excluded depends upon the ordinary requirements for reporting and acting on information at certification actions and when changes occur. Documentation must indicate the household's circumstances, as well as the reviewer's reasoning for including or excluding a variance.

1160 STANDARD UTILITY ALLOWANCE - 364. The State agency may offer a household a standard utility allowance (SUA) or actual expenses if the household verified higher expenses. The State agency may also mandate use of the SUA. If the State agency mandates the use of the SUA, the household cannot use actual expenses and SUA is not prorated between separate households.

The State agency may choose to offer SUAs in these ways:

- A separate SUA for each utility
- A single SUA including heating or cooling, which is available to all entitled households
- A Limited Utility Allowance for households with no heating or cooling expenses, but are billed for at least two utilities, one of which may be the telephone
- A SUA for households billed for only one utility

The State agency may develop a variety of SUAs, 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 (for heating and/or cooling), an individual household is entitled to use a SUA if:

- The household received the minimum payment for LIHEAP in the month of application, or in the immediately preceding 12 months prior to the application, or
- The household meets the following criteria:
 - The expense is not totally covered by an excluded vendor payment or reimbursement.
 - The household 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).
 - The expense is incurred at the time of certification, recertification, or when the household moves.
 - The household is billed on a regular basis, or if 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.

Note: Residents of public housing units that have central utility meters and only

charge households 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.

1160.1 Documentation. The reviewer must document the:

- Type of allowance;
- Household's entitlement to that allowance;
- Source of excluded vendor payments;
- Verification obtained; and
- Explanation of any variances, including whether the variances are included or excluded, and correct calculations when necessary.

1160.2 Standard Verification.

- Bills from the utility companies
- Statements from the utility companies
- Statements from providers of LIHEAP payments
- Statements or receipts from the company or individual that sold the household wood, propane, or heating oil.

Note: A landlord's statement is only acceptable to verify utility expenses if the landlord bills for individual usage or charges a flat rate separately from the rent for utilities; otherwise, the standard verifications listed above must be used.

Note: In situations where the expense is not in the name of anyone in the household, the reviewer must clarify why and document this in the QC review record, including all steps taken to verify the household is responsible for the expense.

1160.3 Variances.

If the household was entitled to a SUA and received it, there is no variance. However, if a household was entitled to a SUA and did not receive it; or was not entitled to a SUA but did receive it, reviewers must follow these procedures:

Procedures for households that *were entitled to a SUA*:

- 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 entitled to either actual expenses or the SUA, but received neither, the reviewer will use the SUA unless the certification record documents 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 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.

Procedures for households that *were not entitled to a SUA*:

- 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 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.

The reviewer must determine whether the household was entitled to the SUA and whether the State agency reasonably anticipated the SUA correctly at certification, recertification, or when a utility expense change was reported. The reviewer must make an adjustment for any subsequent changes that cannot be excluded based on the reporting requirements and the time frames for reporting and acting on changes. 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](#).

1160.4 Prorated SUA. The reviewer must prorate the SUA if:

- The State does not mandate the use of the SUA;
- Two or more households live together;
- They share utility expenses; and

- The household being reviewed is entitled to the SUA and did not choose to verify actual higher costs.

If the reviewer determines the SUA should have been prorated for the household, the reviewer must prorate according to the State agency's procedure and document how the client qualified for the proration, as well as the calculation of the proration.

1161 Special Treatment of Variances. This section provides the instructions on special handling of shelter deductions including dwelling(s) and utilities.

1161.1 Expenses Not Reported at Certification/Recertification. If the household failed to report a monthly expense at certification and the expense existed for the budget month, the reviewer will determine the error by using the amount of the expense at the time of certification. This does not apply when the household failed to report expenses at certification or recertification after the State agency informed the household, typically in disclaimer language on the application, that such failure will result in the forfeiture of the right to a deduction at certification or recertification will result in the forfeiture of the right to a deduction. If the household failed to report a periodic or annual expense at certification and the expense existed for the budget/sample month, the reviewer will prorate the bill over the interval between billings. The reviewer will then use the amount prorated for the time of certification.

1161.2 Change Reporting and Unreported Changes Subsequent to Certification/Recertification. A change reporting household must report its shelter expenses only when it moves.

- The reviewer must exclude any variances caused by unreported changes subsequent to certification when the household did not move.
- The reviewer must include any variances caused by a move after certification if the change should have been reported and acted upon AORD.
- The reviewer must include any variances caused by a move after certification that was voluntarily reported as an address change, when the resulting changes in shelter were not explored by the agency.

Example of an Unreported Change the Household Was Required to Report: A household was certified, with prospective eligibility and budgeting, based upon monthly rent of \$175. On March 16th, the household signed a lease for a different apartment, beginning May 1st, at \$190 each month. In calculating shelter expenses for May, the reviewer would allow rent of \$190, because the change was required to be reported by the household.

Example of an Unreported Change the Household Was Not Required to Report: A household was certified with prospective eligibility, retrospective budgeting. At the time of certification, the household's monthly rent was \$225. On June 1st, the household's rent for the same apartment changed to \$300. The household did not report the change. In calculating shelter expenses for the budget month of August, the reviewer would allow rent of \$225, because the change was not required to be reported. The increase in rent is an excludable variance.

1161.3 Expenses Reported at Any Time and Not Correctly

Processed. If a household reports its circumstances and the State agency does not correctly process the deduction, the reviewer will follow this procedure (annualizing, converting, or prorating as appropriate):

- If the State agency made a mathematical mistake, the reviewer must document and correct the mistake;

Example of the State Agency's Failure to Process a Reported Change: A household was billed \$240 for annual property taxes on November 3. When the household applied the next day, they reported and verified the expense. The EW did not allow the expense. In determining the variance, the reviewer will use the annualized amount of \$20.

- If the State agency misapplied policy, the reviewer will document and correct the misapplication of policy; and/or

Example of a Mistake in Arithmetic: At certification, the household reported and verified a biweekly rental expense of \$100. The EW converted the household's biweekly rent as follows:

\$100.00 biweekly rent
X 2.15 conversion factor
\$251.00 monthly rent

The reviewer discovered a mathematical mistake:

\$100.00 biweekly rent
X 2.15 conversion factor
\$215.00 monthly rent

The reviewer corrected the mathematical mistake by using the correct figures.

- If the State agency did not act on potential shelter changes as a result of a reported address change, the reviewer will include the deduction.

Example of the State Agency’s Failure to Act on Potential Shelter Changes as a Result of a Reported Address Change: A household was residing at 123 Main Street at the time of certification and had a rent expense of \$400. During the certification period, the household reported they moved to 789 Main Street. The EW changed the address but did not change the shelter expense and did not ask the household about shelter expenses. The reviewer will verify the amount of the shelter expenses at 789 Main Street and use that amount in Comparison I and Comparison II, if necessary.

1161.4 Monthly Reporting and Actual Expenses. Monthly reporting households must report expenses and, based on State policy, may be required to verify changes or questionable information. If the household failed to report or verify its actual utility expenses on the monthly report and the household is not receiving a SUA, the reviewer must determine the variance by not considering that utility expense.

Example of a Monthly Reporting Household’s Failure to Report Actual Expenses: A household was certified with an average electricity expense of \$32 monthly. On their monthly report for the budget month of April, the household did not report their actual electric bill of \$36. The reviewer will determine the error by using \$0 for the electricity expense.

1170 MEDICAL DEDUCTION - 365. A household may deduct the reported medical expenses (in excess of \$35) of any household member who is elderly or disabled provided the expenses are not being reimbursed. This includes any anticipated changes in the household’s medical expenses that can be reasonably anticipated during the certification period based on available information about the household member’s medical condition, public or private insurance coverage, and current verified medical expenses.

States utilizing a standard medical deduction under an approved waiver must determine medical expenses according to the conditions in the waiver approval and document the case accordingly.

States utilizing a standard medical deduction under an approved demonstration project must determine medical expenses according to the conditions in the

demonstration project approval and document the case accordingly.

1170.1 Deductible Expenses. A household may deduct the medical expenses of its entitled members if the expenses for the household exceed \$35 for each month.

When performed, prescribed, or approved by a licensed practitioner, qualified health professional, or recognized facility, the following medical expenses are deductible:

- Basic care:
 - Medical care, dental care, psychotherapy, and rehabilitation
 - Hospitalization and outpatient care
 - Nursing care and nursing home care
- Hospitalization, outpatient, nursing, and nursing home care for an individual who was a household member immediately prior to entering a hospital or nursing home.
- Drugs:
 - Prescription drugs
 - Over-the-counter drugs (when prescribed by a licensed practitioner)
- Equipment:
 - Medical supplies
 - Sick-room equipment
 - Dentures
 - Hearing aids
 - Prosthetics
 - Prescribed eyeglasses
 - Other prescribed equipment
- Health and hospitalization insurance policy premiums.
- Medicare/Medicaid:
 - Medicare premiums
 - Medicaid cost-sharing expenses
 - Billed spend-down expenses
- Service animals (e.g., seeing eye dogs):
 - Securing and maintaining a service animal
 - Animal food
 - Veterinary care
- Reasonable costs of transportation and lodging to obtain medical treatment

or services.

- Attendant, homemaker, home health aide, child care services, or housekeeper necessary due to age, infirmity, or illness. Amount equal to the one-person coupon allotment if the household furnishes the majority of a home care attendant's meals.

If an expense qualifies as both a dependent care deduction and a medical deduction, the expense may be deducted as either a dependent care expense, or a medical expense, but not both.

A household may not deduct the following expenses:

- Premiums for health and accident policies that pay lump sum settlements for death or dismemberment;
- Premiums for health and accident policies payable as income maintenance, mortgage continuance or loan payments while the beneficiary is disabled; and
- Expenses that have not been verified as non-reimbursable.

1170.2 Documentation. The reviewer must document the:

- Household members' entitlement to the deduction;
- Deductible expenses;
- Treatment of reimbursements;
- Time periods covered by medical bills;
- Verification obtained and the date obtained; and
- Explanation of any variances, including whether the variances are included or excluded and correct calculations, when necessary.

1170.3 Standard Verification.

Positive Allegation:

- Bills from the providers of health insurance, services, and products
- Statements from these providers
- Health insurance policies clearly describing their areas of coverage

Negative Allegation: In the absence of contradictory information, the reviewer may accept the household's disclaimer of deductible medical expenses and health insurance.

1170.4 Calculation of Medical Expenses. The reviewer must review medical expenses as follows:

Comparison I. Verify actual medical expenses billed or otherwise due in the sample month which includes any applicable prorated amounts. These figures are used in the Comparison I allotment test. (See [Section 621](#).)

Comparison II.

- Correct the worksheet expense figure for:
 - Misapplication of policy;
 - Failure to act or correctly act on reported changes;
 - Computational errors by the eligibility worker; and/or
 - Incorrect reporting, failure to report or verify by the household at the time of certification/recertification.
- Exclude variances attributable to an unreported change subsequent to a certification/recertification.
- Use the corrected worksheet figure in the error determination process.

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 case record 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.

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

Example of an Expense That the State Disallowed Because There Was No Verification: A household stated at certification 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 was no variance.

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

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

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.

- **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 mistakes in computing the expense, the reviewer must use these correct amounts and apply correct policy in determining the medical expenses.

The reviewer will consider prorated periodic medical expenses based on the household's request for proration. When the case contains a conflicting request, the periodic medical expense must be deducted only in the month in which it was billed or otherwise became due.

Existing Conflict in a Periodic Medical Expense. If the case record contains a conflicting request by the household that the expense be deducted in the month the expense was billed or otherwise became due, then the periodic medical

Example of Correcting an Incorrectly Prorated Expense: A household applied on April 3 and reported a bi-monthly dog food bill of \$40 for their seeing-eye dog and requested proration of the expense. The EW prorated this expense and allowed \$15 at certification. The reviewer verified the expense did not exist in the sample month. For Comparison II, the reviewer verified the household's bi-monthly dog food expense was \$40 at certification, documented the mistake, and used the corrected prorated amount of \$20 in the budget.

expense must be deducted only in the month the expense was billed or otherwise became billed.

If the EW incorrectly prorated or did not prorate a medical expense that should have been prorated, the reviewer must calculate the correct prorated medical expense. The reviewer must correct 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. 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.

Example of a Mistake in Prorating: During its certification interview, a household reports and requests proration for a bimonthly 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.

Example of a Reported Expense That the State Prorated Over Too Many Months: A household reported and verified a one-time, non-reimbursable hospital bill of \$500 in September. The household requested the expense 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; therefore, it should be prorated for October, November and December.

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. Discussion with the client by the EW is required to determine how the household wants the expense budgeted.

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 case record discloses a conflicting request (that the expense be deducted in the month that the expense was billed or otherwise became due). If the case record supports a conflicting request, the one-time medical expense must be deducted only in the month the expense was billed or otherwise became

due.

If the EW incorrectly prorated or did not prorate a medical expense that should have been prorated, the reviewer must calculate the correct prorated medical expense. The reviewer must correct 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 in the medical expense calculation. If the household requested proration, the expense will be prorated over the 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 must be deducted in the month the expense was billed or otherwise became due.

A household is not required to report changes in its medical expenses subsequent

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 correct the proration over six months (July - December) and use \$66.66 in the medical expense calculation.

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 was one of these months. The reviewer corrected the EW's misapplication of policy by prorating the reported change over the 6 months of the new certification period.

to certification or recertification; therefore, the reviewer must verify expenses and exclude any variances that are attributed to unreported changes in medical expenses during the certification period.

1180 CHILD SUPPORT PAYMENT DEDUCTION OR INCOME

EXCLUSION 366. A household is entitled to the child support payment deduction or an income exclusion when it incurs legally obligated costs for any child support and payments are made for a child who is not a household member. This includes legally obligated vendor payments made to a third-party on behalf of a child. Voluntary support payments are not a deductible expense.

Note: Follow State policy to determine whether the child support payment is treated as a deduction or income exclusion. The expense cannot be allowed as both a deduction and an income exclusion.

Example of the Difference Between Legally Obligated and Voluntary Expenses: During its certification interview, a household reports a monthly child support payment in the amount of \$150. In addition to the \$150 monthly payment, the EW allowed a deduction for a payment in the amount of \$25 to a day care center. The reviewer verified the household was legally obligated and actually paying \$150 a month in child support payments, and the \$25 payment to the day care center was voluntary. The reviewer corrected the misapplication of policy and used \$150 in the error determination process.

1180.1 Documentation. The reviewer must document:

- The payment is legally obligated;
- Who is legally obligated to pay the child support;
- The amount and payment schedule the household member is legally obligated to pay;
- Who received the child support payments;
- Who actually paid the child support and the dates, and amounts paid;
- Why the household was entitled to a deduction or income exclusion;
- How much the child support payments were in the appropriate month or months subject to review;
- The time periods covered by child support payments that were made;
- The type of verification obtained; and
- An explanation of any variances, including whether the variances were included or excluded, and correct calculations when necessary.

1180.2 Verification. The reviewer must verify the household's legal

obligation to pay child support, the amount of the obligation, the dates and amount actually paid; and that the child being supported is not part of the household under review. The primary source of verification for declared child support payments is the household making the contribution. When support payments are made directly through a third-party, such as a court or probation office, verification must be made through that agency. When support payments are made directly to the non-household member(s) in receipt of the payment, verification can be made through the person, or persons, in receipt of the child support payments. The reviewer must be alert to the effect of timing and amount of payment relative to the review date for possible conversion purposes.

Child support payments must be verified through use of the following documentation:

From the Household. Documents or other records generally available from the household include:

- Canceled checks
- Wage withholding statements
- Income tax returns
- Divorce or separation decrees may be used, but attention to dates and potential modifications made
- Court order
- Support agreements
- Correspondence regarding support payments

From Other Sources. Documents or other records available from other sources for verification include:

- Statements from the custodial parent
- Court records
- Lawyer's records
- Divorce or separation decrees may be used, but attention to dates and potential modifications made
- Employer's records showing attachment of wages
- Title IV-D and State Child Support Enforcement agencies

Example of Incorrect Reporting of Deductible Expenses: At the certification interview on July 11th, the household stated they were legally obligated and paying \$60 a month in child support expenses. The EW allowed a child support deduction in the amount of \$60. The reviewer verified that in addition to the \$60 payment, the household paid \$25 monthly for health insurance. The divorce decree (dated January 5th) stated the household was legally obligated to pay \$25 monthly for health insurance. The household paid the expenses and the difference existed at the time of certification; therefore, the reviewer used \$85 in the error determination process.

1180.3 Calculation of the Child Support Payment - Deduction. In States where legally obligated child support payments made for non-household members are treated as a deduction, the reviewer must review child support deductions as follows:

Comparison I.

Verify the amount of legally obligated child support actually paid in the sample month and convert if required. This figure is used in the Comparison I allotment test.

Comparison II.

A. Correct the worksheet expense figure for:

- Misapplication of policy;
- Failure to act or correctly act on reported changes;
- Computational errors by the eligibility worker; and/or
- Incorrect reporting or failure to report at the time of certification or recertification by the household.

B. Exclude variances attributable to an unreported change subsequent to certification/recertification, except where the change required an action by the agency.

C. Use the corrected worksheet figure in the error determination process.

Example of a Reported but Unprocessed Change: At certification, the household reported a \$40 child support payment. The EW allowed a child support deduction in the amount of \$40. The reviewer verified the household's legal separation agreement was amended one week after the household was certified and the household actually paid \$125 a month for child support. The reviewer found the EW documented receiving a call from the household reporting its child support payment increased to \$125 but failed to take any action. In accordance with the reporting requirements and time frames, the change should have been in effect AORD; therefore, the reviewer would use \$125 in the error determination process.

1180.4 Calculation of the Child Support Payment - Income

Exclusion. In States where legally obligated child support payments made for non-household members are treated as an income exclusion, reviewers must determine the household's net income in Comparison I and Comparison II, (see Sections [621](#) and [622](#)) by following the process below:

- Add the gross monthly income earned by all household members and the total monthly unearned income of all household members, minus income exclusions, to determine the household's total gross income. Then multiply the total gross monthly earned income by:
 - 20 percent and subtract that amount from the total gross income; or
 - 80 percent and add that to the total monthly unearned income, minus income exclusions.

Note: Since the State agency has chosen to treat legally obligated child support payments as an income exclusion, multiply the excluded earnings used to pay child support by 20 percent and subtract that amount from the total gross monthly income.

Chapter 12 MAKING THE REVIEW DECISION

1200 GENERAL. The review decision consists of determining whether there is an error in the case and, if so, the dollar amount of the error. This chapter describes the procedures used and documentation requirements for making the review decision. See [Chapter 6](#), regarding the eligibility and allotment tests which are integral to making the review decision.

The State agency may also opt to establish the dollar error amount associated with individual variances (See [Section 1233.2](#)).

1210 THE COMPUTATION SHEET. The SNAP computation sheet of Form FNS-380 is used to document all completed active case reviews. The only exceptions are reviews of households that were ineligible for reasons other than income. Columns (1) and (2) are required to be completed. Columns (3), (4), and (5) are optional, however it is suggested Columns 3 and 4 be used for Comparison I and Comparison II, respectively, and the final budget amount is transferred to Column 2. Regardless of the use of Columns (3), (4), and (5), Columns (1) and (2) must be used as outlined in [Sections 1211](#) and [1212](#) below.

1211 Column (1). Column (1) of the computation sheet must be completed for all active case reviews. In this column, record the figures the EW used to compute the allotment for the sample month.

1212 Column (2). Column (2) of the computation sheet must be completed for all active case reviews. In this column, record the final State Agency Quality Control (SAQC) determination figures based on the result of the review. The eligibility and allotment tests of the error determination process determine the final SAQC figures. See the guidance below and refer to [Chapter 6](#).

When the error amounts in Comparison I and II are the same, the reviewer must record the sample month budget in Column 2. This is because the sample month is the most recent error.

If the household was ineligible because of applicable gross or net income limits, the reviewer may stop recording the budget at the appropriate income line.

1212.1 Column 2 Examples Including or Excluding Variances as Appropriate. In the three examples below, the figures used for final SAQC determination in Column (2) are based upon verified circumstances, including or excluding variances as appropriate.

Example 1:

ELIGIBILITY TEST = Ineligible

ALLOTMENT TEST = N/A

Column 2 is filled out to the point of ineligibility.

(See [Section 610](#))

Example 2:

ELIGIBILITY TEST = Eligible

ALLOTMENT TEST =

COMPARISON I = The difference in the allotments is less than the error threshold or is equal to the error threshold.

COMPARISON II = N/A

Column 2 is filled out with the Comparison I figures. (See [Section 621.3](#))

If in Comparison I, the allotment test results in a difference equal to or below the error threshold, the reviewer must **not** complete Comparison II. Errors equal to or below the error threshold level will not be included in the final determination of a State's official error rate. However, all amounts authorized in error are considered an overissuance or underissuance and must be recorded on Form FNS-380-1.

When a case is ineligible, the total allotment authorized is an error (See [Section 622.3](#)).

Example 3:

ELIGIBILITY TEST = Eligible

ALLOTMENT TEST:

COMPARISON I = The difference in the allotments is more than the error threshold.

COMPARISON II = The difference in the allotments is more than the error threshold

Column 2 is filled out with the figures with the smallest error amount from Comparison I or Comparison II.

(See [Section 622.4.](#))

1212.2 Column 2 Example Including All Variances. In the example below, the figures used as final SAQC determination in Column (2) are based upon verified circumstances, including all variances. No variances are to be excluded.

Example 4:

ELIGIBILITY TEST = Eligible

ALLOTMENT TEST:

COMPARISON I = The difference in the allotments is more than the error threshold.

COMPARISON II = The difference in the allotments is less than or equal to the error threshold.

Column 2 is filled out with the Comparison II figures because it is the lower error amount.

Errors equal to or below the error threshold level will not be included in the final determination of a State's official error rate. All amounts authorized in error are considered an overissuance or underissuance and must be recorded on Form FNS-380-1.

However, all amounts authorized in error are considered an overissuance or underissuance and must be recorded on Form FNS-380-1.

When a case is ineligible, the total allotment authorized is an error (See [Section 622.3](#)).

1213 Columns (3), (4), and (5). It is suggested that Columns 3 and 4 are used for [Comparison I](#) and [Comparison II](#), respectively, and the final finding is transferred to Column 2. Column 5 of the computation sheet is included for the convenience of States and may be required for recording:

- Cost neutrality test as required for use of likely conclusion in [Section 442.4](#);
- The impacts of individual variances;
- A retrospectively budgeted household's prospective eligibility; or
- Any other State identified purpose.

1220 COMPUTING THE AMOUNT ISSUED IN ERROR. The amount issued in error is the difference between the allotment amount authorized by the EW for the sample month (last line of Column (1) of the SNAP computation sheet) and the allotment amount computed by the SAQC reviewer (last line of Column (2) of the SNAP computation sheet), including eligible cases with differences less than or equal to the error threshold.

When cases are ineligible, the total allotment amount is issued in error, regardless of whether it exceeds the error threshold. When cases are eligible and there is a difference greater than the error threshold, there is a reportable error that must be included in the error rate calculation. The figures used in Column (2) must be from the allotment test resulting in the least quantitative error or Comparison I if both allotment test results are equal. (See [Chapter 6](#).)

1230 THE REVIEW SCHEDULE. Form FNS-380-1, the Quality Control Review Schedule (QCRS), is the required form for recording data entry results of SNAP Quality Control reviews. Refer to link in [Appendix C](#) Placeholder for the Form and instructions that are available on the FNS public website. For the purposes of this chapter, completion of items 8 (Review Findings), 10 (Error Amount), and 16 (Error Amount) of Form FNS-380-1 are described below.

1231 Coding the Review Findings - Item 8. For Item 8 of Form 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 (allotment difference \$0)
2	Overissuance (regardless of the error threshold)
3	Underissuance (regardless of the error threshold)
4	Ineligible (regardless of the error threshold)

Example of the Coding of Case Findings: This shows the coding for the examples in Sections 1212.1 and 1212.2 above.

Example 1	Code 4 - Ineligible
Example 2	Code 1, Code 2 or Code 3, as appropriate
Example 3	Code 2 or Code 3, as appropriate
Example 4	Code 1, Code or Code 3, as appropriate

1232 Error Amount - Item 10. For Item 10 of Form FNS-380-1, indicate the dollar amount issued in error, computed as in [Section 1220](#) above. This must also include amounts less than the error threshold.

As an example, the cases illustrated in [Sections 1212.1 and 1212.2](#) above would be handled as follows:

Example of the Coding the Amount of Error: This shows the coding for the examples in Sections 1212.1 and 1212.2 above.

	<u>DOLLAR AMOUNT ISSUED IN ERROR</u>
Example 1	Entire allotment amount was issued in error
Example 2	Allotment difference regardless of error threshold
Example 3	Least error amount from Comparison 1 or Comparison 2
Example 4	Allotment difference regardless of the error threshold

1233 Coding the Dollar Amount Associated With Variances -

Item 16.

1233.1 Mandatory Use. State agencies must code the dollar error amount associated with individual included variances. All State agencies must compute and enter the dollar amount associated with excluded variances that resulted from correctly processed information. The State agency will use the method outlined in the paragraph entitled “One Variance” when there is only one variance in the case. When there is more than one variance, the State agency may use the simple calculation method outlined in the first bulleted subsection, entitled “Simple Calculation Method,” under the paragraph entitled “Multiple Variances,” or an alternate method to determine the dollar amount of the errors.

The dollar amount of all included variances based on the final error determination must be reported as a total in Item 10, Error Amount.

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

Multiple Variances. If more than one variance exists in the case, the dollar amount of error to be recorded in Item 16 is calculated for each variance. Use the SNAP computation sheet, Columns 3, 4, or 5, and one of the methods below (or another method) to determine the impact (error amount) attributable to each individual variance. If the case has more than three 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 2 of Form FNS-380-1.

- **Simple Calculation Method.**

The simple calculation involves taking a separate look at each variance and identifying the dollar impact of the variance when looked at in isolation of anything else happening in the case. To do this, use the EW’s figures for everything except the variance being calculated.

When using this method, the sum of the impacts of the individual variances does not equal the amount of the overissuance or underissuance identified for the case.

To calculate the impact of the individual variances, complete a separate column of the SNAP computation worksheet.

- At the top of the column, identify the variance being examined

- Use the EW's figures for all elements, except the element containing the variance under examination
 - For any element containing two or more variances in a single element, treat each variance separately
 - Compute an allotment amount based upon the EW's figures for everything except the variance being calculated. For the variance being examined use the corrected figure
 - Compare this allotment amount with the allotment amount authorized by the EW for the issuance month. The difference between these two amounts is the dollar impact, associated with that particular variance
- Repeat all steps for each variance.

Example: If the calculation using the variance yields an allotment of \$125 and the EW figures calculated an allotment of \$100, the impact of the variance is a lowering of the allotment by \$25. This would be indicated as a negative number, - 25.

If the calculation using the variance yields an allotment of \$85 and the EW figures calculated an allotment of \$100, the impact of the variance is an increase of the allotment by \$15. This would be indicated as a positive number, + 15.

(See the example case and [Figure 1.](#))

- **Refined Calculation for Multiple Variances.**

The refined calculation method is an expansion on the simple calculation method. When using the simple calculation method, for more than one variance in a case, the sum of the impacts of the individual variances do not equal the amount of the overissuance or underissuance. The refined calculation is a methodology to follow which takes the actual amount established as the overissuance or underissuance, and identifies the impact of the individual variance relative to the error amount. This method goes a step beyond the simple calculation to ensure that the sum of the impacts equals the amount of overissuance/underissuance for the case. This places the impacts of individual variances more into perspective.

Perform all the steps of the Simple Calculation method above to establish the impact of the individual variances.

Total the resultant individual dollar impact amounts. In doing this total, negative numbers are subtracted from positive numbers.

Determine the percentage of the actual error dollars for the case relative to the total of the individual impacts of the variances. By determining the percentage that the error dollars are to the sum of the individual impacts of the variances, you can apply this resultant percentage to the individual impacts of a variance to determine its relative impact to the error dollars of the case.

To determine the percentage, divide the overissuance/underissuance amount for the case by the total of the impact of the individual variances.

**Percentage of error dollars of total impact of the individual
variances:**

$$\frac{\text{Overissuance/Underissuance Error Dollars}}{\text{Total of the Dollar impact of the individual variances}} \times 100$$

Multiply each individual dollar impact for a variance by the determined percentage. Each resultant figure represents the dollar impact, associated with that particular variance.

(See the example case and [Figure 2.](#))

Example Case:

Household Description: The household was comprised of Jan Williams (age 35) and her two children, Alan (age 15) and Terry (age 11). Mrs. Williams' mother, Mary Bailey (age 61), also lived in the household. All 4 purchased and prepared their meals together. No one was disabled. Jan Williams earned \$650 a month working part-time at a local hardware store. She netted \$500 a month from rental property that she did not actively manage. She also received \$400 a month for child support from her ex-husband. Her mother, Mrs. Bailey, earned \$450 a month working part-time at the local movie theater. The rent and utilities for their apartment totaled \$1050 a month. The household was certified as a 3-person household for October 2001.

EW actions: The EW correctly identified Jan Williams' earned income from the hardware store, her unearned income from the rental property, and correctly computed the shelter costs.

Variations: There are 4 variations in the case: 1) The EW failed to include the unearned income from child support, 2) The EW incorrectly excluded Mrs. Bailey from the household, and in doing so, failed to include Mrs. Bailey's \$450 a month earned income, 3) used the allotment amount for a household of 3, instead of a household of 4, and 4) incorrectly allowed medical deductions for Jan Williams and her sons.

Impact Calculation: Figures 1 and 2 below, trace the calculation of the impact of each of the individual variations in the example case.

Simple Calculation Method ([Figure 1](#)) Refined calculation Method ([Figure 2](#))

Figure 1Simple Calculation of Variance Dollar Amounts Associated
With Individual Variances

	EW	SAQC	Variance	A	B	C	D
Earned Income	650	1100	A	1100	650	650	650
Unearned Income	500	900	B	500	900	500	500
Gross Monthly Income	1150	2000		1600	1550	1150	1150
Earned Income Deduction	130	220		220	130	130	130
Standard Deduction	134	134		134	134	134	134
Excess Medical Costs	30	0	C	30	30	0	30
Allowable Shelter Deduction (Actual costs = \$1050)	622	227		332	422	607	622
Net Monthly Income	234	1419		1104	834	279	234
Thrifty Food Plan	356	452	D	356	356	356	452
30% of Net Income	71	426		332	251	84	71
Allotment	285	26		24	105	272	381
Over/Under- issuance or Impact		259		261	180	13	96

Sum of Impact = 358

Variance A = \$450 in earned income not counted by EW. Individual impact = \$261 overissuance.

Variance B = \$400 in unearned income not counted by EW. Individual impact = \$180 overissuance.

Variance C = EW incorrectly allowed medical costs (not elderly/disabled). Individual impact = \$13 overissuance.

Variance D = Household size was 4, not 3. TFP = \$452. Individual impact = \$96 underissuance.

Note: Using this method, the sum of the individual impacts (\$358) is not equal to the overissuance (\$259).

Figure 2				
Refined Calculation of Variance Dollar Amounts Associated With Individual Variances				
Calculation of Refinement Factor:				
		259 (Over/Underissuance)		
		÷ 358 (Sum of Impacts)		
		= .72 (Refinement Factor)		
\$ Impact by Individual Variances				
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
Impacts by Simple Calculation Method	261	180	13	-96
Times Refinement Factor	<u>.72</u>	<u>.72</u>	<u>.72</u>	<u>.72</u>
Impacts by Refined Calculation Method	188	130	10	-69
Sum of Impacts = 259				

Using this method, the sum of the impacts (\$259) is equal to the overissuance (\$259).

1240 TRANSMISSION/RELEASE OF ACTIVE CASE FINDINGS TO FNS, DATA CHECKING, AND CHANGING CASE FINDINGS. Once the error determination process is complete and the review decision has been made, the case findings must be transmitted/released to FNS. Once a completed case has been transmitted/released, the protected field findings for that case may not be changed.

Note: It is important that cases are not held longer than is required to complete the review and any subsequent second-party or supervisory reviews, so errors are not compounded in any single case.

1240.1 Case File Structure for Active Cases Sent to FNS.

Active Complete Cases. QC documents filed and submitted to FNS as part of the [QC Review Record](#) must be organized in the following order:

1. QC Review Narrative Summary
 - Include the sample selection date for the case
2. FNS-380-1, the Quality Control Review Schedule
3. FNS-380, Worksheet for Supplemental Nutrition Assistance Program Quality Control Reviews.
 - A complete FNS-380 includes:
 - The Facesheet page 1,
 - Narrative/element pages 2 through 14, and
 - A completed computation sheet
4. SNAP Application
5. All documentation from the most recent certification/recertification action which established the certification period for the QC sample month ([the Certification Record](#))
6. Eligibility History
7. Benefit/Issuance History
8. Verification Documented by Element (documents and system screen shots) with the applicable element numbers identified in the top right of the document.
 - Organized by element number and identified with the appropriate element number(s) of the FNS-380.
 - Examples of Verification standards are found in FNS Handbook 310 Chapter 8 through 12 and listed in the sections by element number. [Chapter 8](#) covers Non-financial Eligibility Criteria, [Chapter 9](#) - Resources, [Chapter 10](#) - Income, and [Chapter 11](#) - Deductions.

- Element numbers and titles are found in Column 1 of the FNS-380 on pages 2 through 14.
9. Documents to verify application processing and recertification timeliness coding.
 10. All case notes, tracking forms and other tools generated during the State QC review, including substantive notes and instruction from supervisory, contractor or 2nd party reviews.

Active Incomplete Cases. QC documents must be organized and submitted to FNS in the following order:

1. QC Review Narrative Summary
 - Include the sample selection date for the case.
 - This should give a full explanation of why the case was dropped including all efforts taken to attempt to complete the case and the reason(s) why the case could not be completed.
2. FNS-380-1, the Quality Control Review Schedule
3. FNS-380, Worksheet for Supplemental Nutrition Assistance Program Quality Control Reviews.
 - The FNS-380 should document all actions taken to complete the review and the obstacles that prevented completion.
4. Verification/Documentation supporting the reason for dropping the case and all verification that was gathered in the attempt to complete the case (Documents and system screen shots) documented with the applicable element numbers identified in the top right of the document.
 - Organized by element number and identified with the appropriate element number(s) of the FNS-380.
5. SNAP Application
6. All documentation from the most recent certification/recertification action which established the certification period for the QC sample month.
7. Eligibility History
8. Benefit/Issuance and/or Usage History
9. Documents to verify the Timeliness of Application Processing Coding

Chapter 13

NEGATIVE ACTION RECORD REVIEWS

1300 INTRODUCTION. This chapter describes reviews of negative actions.

1310 PURPOSE AND SCOPE OF THE NEGATIVE ACTION REVIEW.

A negative action is a deliberate action taken to deny, terminate, or suspend a household's application or benefits. The purpose of the negative action review is to verify, through documentation contained in the case record, whether the State agency's action to deny, terminate, or suspend the household was valid.

This chapter provides guidance on conducting reviews of negative actions. This includes reviewing documentation contained in the case record to determine whether an action was valid or invalid and if the procedural requirements associated with the negative action were correct. Reviewers may have to obtain verification from collateral contacts. The negative action review does not include a field investigation to determine the total circumstances of the household as of the negative action date. Instead, the negative action review is primarily a desk review with possible contact with the household or a collateral contact.

A valid negative action is based on a correct reason that was documented in the case record and the action and reason were properly communicated to the household in easily understandable language. In addition, the negative action and notices must have correctly followed applicable procedures and timeframes including those for application and recertification processing ([Section 1340](#)).

Note: When the case record does not include documentation for the specific negative action under review, the action must be coded as invalid.

The negative sample frame must be comprised of negative actions that occurred within the sample month. The action (review) date for negative actions could be:

- The date of the agency's decision to deny, terminate or suspend program benefits;
- The date on which the decision is entered into the computer system; or
- The date of the notice to the household, depending on the characteristics of individual State Systems.

State agencies must consistently apply the same definition for the review date to all sample actions of the same classification. Only the action sampled is subject to review. Other actions, including actions taken on the case after sampling are not parts of the review.

The negative action sampled should never be the effective date of the action, unless the effective date is the same date the negative action decision occurred.

1320 NEGATIVE DEFINITIONS.

Action (review) date Is either the date of the agency's decision to deny, terminate, or suspend program benefits, the date on which the decision is entered into the computer system, or the date of the notice to the household, depending on the characteristics of individual State Systems. The date a State uses as its action date is identified in the State's sampling plan.

Case and Procedural Error Rate (CAPER) - The measurement of negative case reviews.

Decision Date - The date a decision was made to deny an application or terminate or suspend a household's participation in SNAP.

Denial - An action taken to implement a determination that a household is ineligible for SNAP.

Invalid - The negative action must be considered invalid if the reviewer is unable to verify the correctness of the State agency's decision or the procedural requirements (including timeframes) used to deny, suspend, or terminate the household for the specific reason for the action.

When the case record does not include documentation for the specific negative action under review, the action must be coded as invalid.

Negative Sample Selection Sheet - A document that displays the negative actions sampled for the sample date. Some State systems sample by a specific negative action, even when more than one negative action occurs on the same date. The negative sample selection sheet is used to determine the action under review is the true action sampled. This is also known as a 'pull' sheet.

Notices - Documented non-verbal communication(s) that are sent to SNAP applicant households and SNAP participant households. Some notices describe negative actions and some notices do not. Examples of notices describing negative actions include: Notice of Adverse Action, Denial Notice, Suspension Notice, etc. Examples of other notices that may not describe negative actions include: Request for Contact, Reminder Notice, Request of Missing Verification, Notice of Missed Interview (NOMI), etc.

Procedurally Appropriate -When determining the validity of a negative action, the reviewer must consider required procedures and timeframes leading up to the sampled negative action including timeliness of application and recertification

processing. Example: A NOMI is required prior to any negative action when a household has failed to attend an interview.

QC Negative Action Review - The review of the action taken to deny benefits to a SNAP applicant household, the action to terminate benefits of certified SNAP households, or the action to suspend benefits of certified SNAP households.

Review Date - Is either the date of the agency's decision to deny, terminate or suspend program benefits; the date on which the decision is entered into the computer system; or the date of the notice to the household, depending on the characteristics of individual State systems and their ability to sample by specific negative action. States must identify their sampling process in their State SNAP sampling plan.

The review date should never be the effective date of the action, unless the effective date is the same date the negative action decision occurred.

Suspension - An action taken to suspend benefits when a household has not been terminated from SNAP but is ineligible for benefits or is eligible for zero benefits.

Termination - An action taken to discontinue SNAP benefits.

Valid - The negative action must be considered valid if the reviewer is able to verify the correctness of the State agency's decision and the procedural requirements (including timeframes) used to deny, suspend, or terminate the household for the specific reason for the action.

1330 DISPOSITION OF ACTION REVIEWS. Each negative action selected in the sample of negative actions must be coded and summarized ([See link in Appendix D Placeholder](#)) on the FNS-245 form by classifying it as review completed ([See Section 1350](#)), not subject to review (NSTR)/listed in error, case deselected ([See Section 1332](#)), or incomplete ([See Section 1333](#)).

1331 Actions Subject to Review. The following actions are subject to review:

- Any action to deny initial benefits;
- Any action to deny benefits at recertification;
- Any action to terminate benefits. A termination is the result of a deliberate State agency action;
- Any action to terminate the SNAP benefits of a former TANF household that should be receiving transitional benefits;
- Any deliberate termination action (not a certification period expiration) taken in response to a reported change in household circumstances, even if the certification period would have ended;
- Any action to terminate a household that continued to receive benefits

- pending a fair hearing;
- Any action to shorten a certification period;
- Any action to suspend a household's benefits, including suspended households whose benefits were later restored;
- Any suspended household that continued to receive benefits pending a fair hearing; and
- Households whose certification periods expired that should have received transitional benefits and did not.

1332 Actions Not Subject to Review. Certain types of negative actions must be excluded from the QC sample. These are normally eliminated in the sampling process; however, if such actions reach the reviewer, they must be eliminated at that point and reported as NSTR on the Quality Control Negative Action Review Schedule, Form FNS-245. Actions that meet the criteria to be considered NSTR from the list below take precedence over any other finding. Documentation must support the NSTR disposition. Such actions include:

- Households that have withdrawn an application prior to the agency's determination.
- Households at the time of sampling that are:
 1. Under active investigation for intentional program violation (IPV)
 2. Scheduled for an IPV investigation sometime during the next five months, or
 3. Pending an IPV hearing.
- SNAP case closure of households that have not filed an application when their assigned certification period ends. The certification period closure itself is NSTR. If the household applied for recertification and, for whatever reason, the recertification application was denied, that denial is subject to review.
- Actions removed from the sample as a result of a correction for oversampling.
- Households that have been sent a notice of pending status but were not actually denied participation.
- Actions listed in error. This category of actions includes:
 - Cases sampled by an action's effective date when the effective date is not the same date as the [action \(review\) date](#)

Cases sampled by an administrative action that was necessitated by the State agency's certification system and/or procedures to correct an administrative fault in the case and there was no actual intent to deny, suspend, or terminate the household's benefits.

- An example would be an action where the household was erroneously registered (wrong SSN, etc.) and subsequently denied because it was already registered under another case number (before any benefits were issued).

Example of Administrative Denial: On 1/5, the household applies for SNAP using the State's on-line application. On 1/7, the household also files a paper application in the local certification office. Both applications are entered into the State's certification system. On 1/10, the EW interviews the household and discovers the duplicate applications. The EW then removes the 1/7 application from the system and processes the 1/5 (first one received) application for certification. The removal of the 1/7 application from the system is an administrative action NSTR for QC negative review.

- Other examples would include situations where a household filed multiple applications and only one needs to be processed while the others are removed from the system, or situations in which the certification system will only allow the reclassification of an action (PA/SNAP to non-PA/SNAP, for example) by closing the case under the original case number and on the same day reopening under a new case number. Adequate documentation must be provided to support this finding.

Example of Action Listed in Error: On 1/5, the household applies only for Medicaid benefits using the State's multiple program (TANF/SNAP/Medicaid) application. On 1/14, the EW denies the household's application for Medicaid and the State's certification system issues denial notices for Medicaid, TANF, and SNAP. The SNAP denial of the 1/5 application for Medicaid is a NSTR administrative action. If there is no application for SNAP, there is no denial for SNAP subject to QC negative review.

Example of Administrative Termination: A woman and her two daughters are receiving TANF and SNAP benefits under case number PA1775713. On 1/14, she reports the children are now living with their father. The EW processes the reported change to terminate the TANF income, update the household size from 3 to 1, and recalculate a new lower SNAP allotment effective 2/1 under case number NPA3140822.

Case number PA1775713 is shut down at the same time case number NPA3140822 is opened. The reclassification of the household and subsequent assignment of a new case number in the certification system is an administrative action NSTR for QC negative review.

- Households denied SNAP benefits under a disaster certification authorized by FNS.
- Household's benefits which are terminated or suspended for failure to file a complete monthly report by the extended filing date, but who were reinstated when the complete report was filed before the end of the issuance month and the household received the full months' SNAP benefits.

Example of an action following a Failure to File Report that is NSTR: The household is certified from January through December and is on monthly reporting in a two-month retrospective budgeting system. The monthly report is due on the 5th of every month. The household fails to submit the monthly report for May by 6/5. On 6/15, the EW terminates the case effective 6/30 and sends a Notice of Termination for failure to file the monthly report. The household files the report on 6/28, and on 7/3 certification is restored and full benefits for July are authorized.

Example of an Action Following a Failure to File Report That Is Subject to Review: The household is certified from January through December and is on monthly reporting in a two-month retrospective budgeting system.

The monthly report is due on the 5th of every month. The household fails to submit the monthly report for May by 6/5. On 6/15, the EW terminates the case effective 6/30 and sends a Notice of Termination for failure to file the monthly report. The household files the report on 7/5, and on 7/10 certification is restored and prorated benefits for July are authorized.

- Households that experience a break in participation due to a computer

malfunction that is not a deliberate action by the State agency to terminate benefits.

- A suspended case after the initial month of a multi-month suspension (see section 1331).

1333 Incomplete Cases. A negative action must be reported as incomplete if, after all reasonable efforts, the reviewer is unable to locate the case record. The case record may consist of a paper or electronic record. Since automation has advanced over time, most actions will have some records to review. An action should have a disposition of incomplete only on the rare occasion when there are no paper documents and no automated record on the household. This is the only reason for which a reviewer may designate a sampled action as incomplete.

Note: When the case record does not include documentation for the specific negative action under review, the action must be coded as invalid and not coded with a disposition of incomplete.

1340 APPLICATION PROCESSING ASPECTS OF THE NEGATIVE REVIEW. SNAP policy requires documentation in case files to support the determination of eligibility, ineligibility, and benefit level. Documentation must be sufficient for a reviewer to determine the validity of the negative action.

Negative actions are reviewed to determine the validity of the agency's action to deny, terminate, or suspend the household's SNAP benefits. Failure to follow required procedures and timeframes when processing the application will result in an invalid negative action. Some examples of failures to complete application processing requirements include, but are not limited to the following (unless an approved waiver is in place for the State agency):

- Failure to send an Appointment Letter/Notice of Missed Interview (NOMI)/Reminder Notice/Notice of Required Verification/Notice of Denial, when required dependent on State policy, or sending the required letter or notice to an incorrect address; notification to the household must be accurate.
- Failure to provide expedited service where appropriate;
- Denial of action prior to the 30th day when verification was requested.

Example of Invalid Application Processing: On 6/2, the household applies for SNAP benefits. On 6/10, the household is interviewed and asked to provide verification of income by 6/20. The household does not provide the requested verification by the 30th day following the application, which is Saturday, 7/2. The EW denies the application on Friday, 7/1, for failure to provide verification. This action is invalid as the agency failed to wait the entire 30 days following the date of application before denying the application. The denial should have been held until the next working day, Tuesday, 7/5, due to the holiday.

- Denial of an application after the 30th day when not properly pending.
- Failure to take action on an application by the 30th day following the date of the application, or the 60th day of the application (for those states with the option to pend for requested verification rather than deny at the end of the original 30-day period). This results in withholding benefits to a household through inaction rather than an actual action. When the 30th (60th) day falls on a weekend or holiday, the action must be taken on the next business day following the weekend or holiday to be considered timely.
- Failure to take actions required during recertification application processing or failure to perform required actions in the denial of an application for recertification of benefits.

Example of an Invalid Application Processing: On 1/20, the household applies for SNAP benefits. On 4/27, the household is sent a letter scheduling a certification interview on 5/5. The letter is returned by the Post Office marked “Addressee moved, no forwarding address.” On 5/10, the 1/20 application is denied, with the reason cited as the household’s failure to attend a certification interview. This action is invalid as the agency failed to process the application for SNAP benefits within 30 days of the date of application.

Example of Valid Application Processing: On 6/2, the household applies for SNAP benefits. On 6/10, the household is interviewed and asked to provide verification of income by 6/20. The household does not provide the requested verification. The 30th day following the date of application is Saturday, 7/2. Monday, 7/4, is a Federal holiday. The EW denies the application on Tuesday, 7/5 for failure to provide verification. A proper Denial Notice is sent. This action is valid as the agency correctly waited until the first business day the agency was open 30 days following the date of application before denying the application.

Example of Untimely denial for NOMI: Household applies on 4/8 for SNAP Benefits. An interview is set for 4/10. The household fails to show for the scheduled interview. The EW takes action on 4/15 to deny the application for failure to appear for the scheduled interview. On 4/28, the EW sends the NOMI letter to the household. This is an invalid denial action since the NOMI was sent after the action to deny was taken.

Example of Untimely Denial: Household applies on 3/4 for SNAP Benefits. On 3/8, the EW sends a request for verification letter stating the information must be received by 3/18. On 3/16, the EW takes action to deny the application for failure to provide verification. This is an invalid denial action since the full 10 days were not given for the household to provide the requested verification.

Example of Invalid Recertification Application Processing: Household applies timely for recertification on 6/10 for continuation of their SNAP Benefits starting 7/1. The State schedules the interview on 6/25, which the client attends, and the EW requests additional required verification and establishes the due date as 7/1. On 7/2, the EW takes action to deny the recertification application for failure to provide verification. This is an invalid denial action since the EW did not schedule the household's interview when the household would have at least 10 days after the interview to provide verification before the certification period would expire.

These procedures must be assessed in [Section 1350.2](#) (Step 2). If it has been determined that any of these application processing requirements were not properly followed, the action is invalid.

1350 CONDUCTING NEGATIVE ACTION REVIEWS. The negative review typically consists of four successive steps. The progression from step one through step three depends on the reviewer's determination of the sampled negative action as NSTR or invalid. Step four, as the final step, is always required to document the review disposition and finding. The four steps of the negative action review are:

- Step 1: Review the circumstances of the action and ensure the action is Subject to Review; (See [Section 1332](#))
- Step 2: Review of action sampled to determine, if based upon the known circumstances, the negative action should have been initiated. In addition, the reason provided to the household must clearly explain what the action was and why it was taken. (See [Section 1350.2](#));
- Step 3: Collateral and/or household contact for purposes of obtaining verification supporting the reason given for the negative action (optional) (See [Section 1350.3](#)); and
- Step 4: Documentation and reporting of review findings (See [Section 1350.4](#)).

1350.1 Step 1: Determine Subject to Review Status. Review the circumstances of the action and determine if it is NSTR using [Section 1332](#) as a guide. If the action meets the circumstances to be NSTR, proceed to [1350.4](#) Step 4. If one of the NSTR reasons does not apply, the action is subject to review and the reviewer must continue to [1350.2](#) Step 2.

1350.2 Step 2: Review of Action Sampled. The reviewer must ensure the action date falls within the sample month. The reviewer must evaluate the stated reason(s) for the negative action. Generally, the notice(s) to the household will be the source of the information for the reason(s) for the negative action. If the reviewer cannot find the notice, the reviewer must review the case file to determine if the reason(s) for the action can be found and the method by which the action was provided to the household. During this evaluation the reviewer examines all the information available to determine:

- The reason for the negative action that was sampled;
- Whether the household was appropriately notified of the reason(s) for the negative action that was sampled. The notification to the household will be considered timely, and therefore procedurally appropriate, if it is sent to the household no later than 2 business days following the regulatory required date of the negative action;
- Whether the action was procedurally appropriate for the situation;
- Whether the validity of the action was sufficiently documented as described in [Section 1360](#)

In situations where there are multiple reasons for an action included on a notice, all reasons must be accurate and clearly describe the situation so the household is

able to clearly understand why the negative action has been taken. If reasons have been indicated that are not applicable or if any reason is not correct, the negative action is invalid. When the case record indicates more than one reason, the notice must match at least one of the reasons, but not all reasons need to be listed.

The reviewer must take into account the additional application processing requirements of the negative action review found in [Section 1340](#) to determine the eligibility worker followed all the appropriate procedural steps.

The basic review process is as follows:

- If the action results in the determination of a valid decision and correct notice, then the review is complete and the reviewer must skip to Step 4 and document the review findings as specified in Section 1350.4.
- If the reviewer is unable to determine the specific reason(s) given for the action due to inadequate documentation in the case file, the case is invalid, and the reviewer must proceed to Step 4.
- If verification is inadequate or if there is conflicting information, the reviewer may proceed to Step 3 (Section 1350.3) to obtain the necessary verification to determine the validity of the action and/or to reconcile conflicting information in the case file.
- If the reviewer opts not to perform Step 3, the reviewer must proceed to Step 4 and determine the review as invalid.
- Once the reviewer has determined the validity or invalidity of the action, the reviewer must go to Step 4 and document the review findings as specified in Section 1350.4.

Transitional Benefits. In States with transitional benefits, if the eligibility worker failed to establish transitional benefits for a household that should have been receiving transitional benefits, the action must be reviewed in accordance with review procedures specified in this section. The reviewer must determine if the household meets any of the following criteria that would render the household ineligible to receive transitional benefits:

1. The household lost its TANF cash assistance because of a sanction,
2. The household was disqualified from SNAP,
3. The household is in a category of households designated by the State as, ineligible for transitional benefits, or
4. The household returned to TANF.

If the reviewer verifies that the household should have received transitional benefits, the action must be coded as invalid.

1350.3 Step 3: Collateral and/or Household Contact (Optional).

The reviewer may contact the household or a collateral contact if the eligibility element(s) that caused the denial, termination, or suspension action need to be verified due to inadequate documentation and/or if conflicting information in the case record must be resolved to confirm the validity of the action. The reviewer must not make a contact if the information regarding the element(s) is clear and accurate. If any information is obtained that is not relevant to the item for which the contact was made, that information must not be considered in the review decision. The contact must focus only on the element(s) that led to the negative action under review that were inadequately addressed and documented in the record or to clarify conflicting information pertaining to the denial reason. The reviewer is basing the determination strictly on the element(s) of eligibility leading to the negative action and the information regarding those element(s) which existed and were available to the eligibility worker at that time.

The procedures in [Sections 424.7](#), Obtaining Collateral Contacts, and [430](#), Collateral Contacts, must be used in establishing collateral contacts. The reviewer must use the most reliable collateral verification available (e.g., banks, payroll listings, etc.) and must thoroughly document and/or attach all verification obtained.

The telephone must be the primary method of contacting the household or a collateral contact for a negative action review. If a telephone contact is not possible or is unsuccessful, the reviewer may send a letter. The reason for using a letter must be documented on the FNS-245 and a copy of the letter included. The letter must clearly address the element(s) in question. Absent such documentation or if the letter addresses areas beyond the element(s) in question, information obtained through the use of a letter must not be allowed in the error analysis.

- If any information obtained by the reviewer differs from that given by the household, the reviewer must resolve the differences. The manner in which the conflicting information is resolved must include recontacting the household about the specific information in question. If the household cannot be reached, the reviewer must accept the collateral verification as valid. The reviewer must document the attempts to contact the household.
- If the reviewer determines the verification received validates the negative action, the reviewer must document as specified in Step 4 ([Section 1350.4](#)).
- If the household/collateral contact cannot be found, does not cooperate, and/or the reviewer is unable to obtain the verification, the negative action is invalid and must be documented as specified in Step 4 ([Section 1350.4](#)).

1350.4 Step 4: Documentation and Reporting of Review

Findings. The reviewer must complete the FNS-245 and document the reasons for denial, termination, or suspension. The documentation must include all relevant information to validate the action sampled including all applicable processes, required timeframes, and dates. All supporting documentation must be attached.

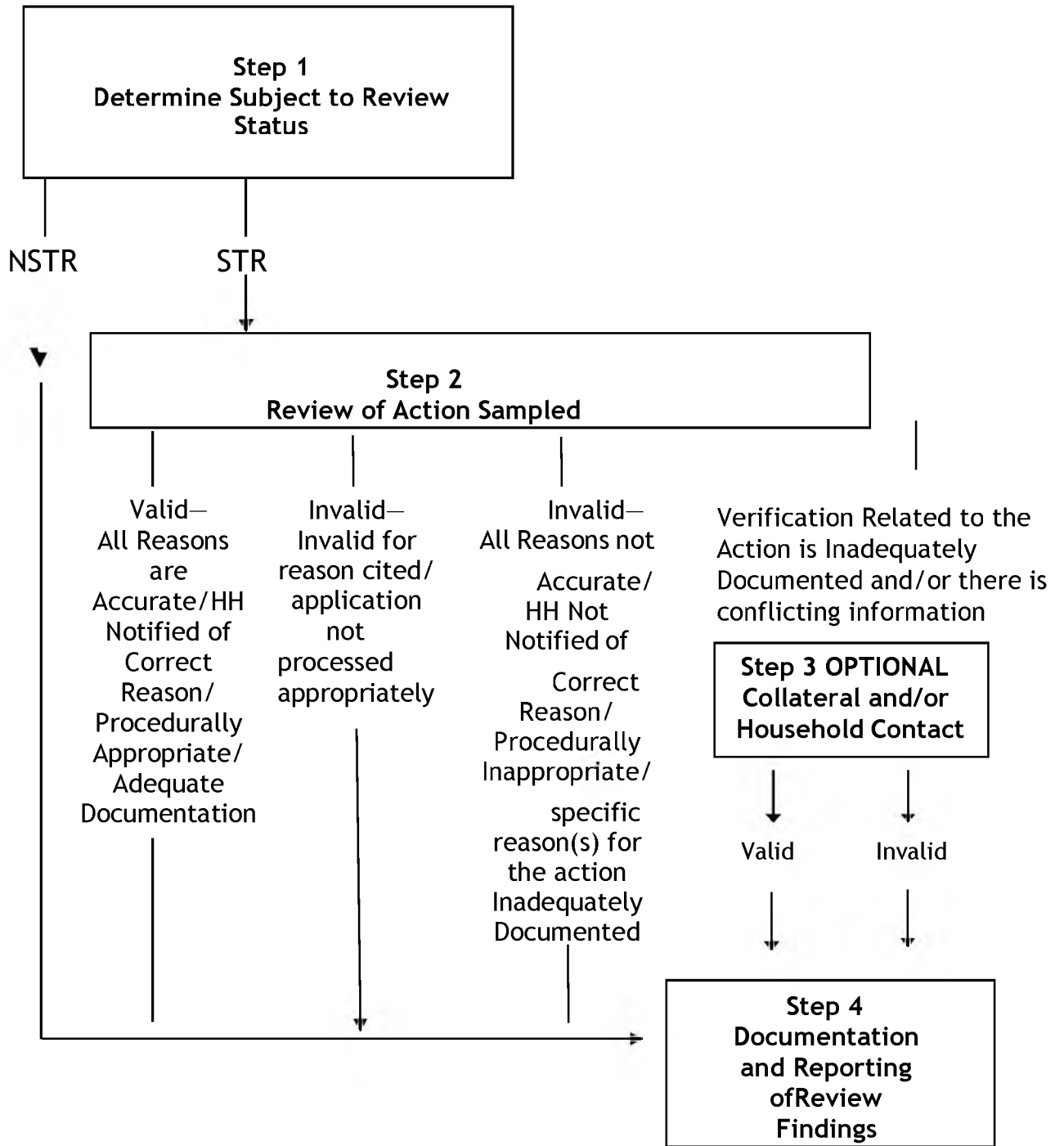
If a household or collateral contact was made, the FNS-245 must indicate why, identify who was contacted, and document the results of that contact.

When the action to deny, terminate, or suspend an action is found to be invalid, a variance exists in the action. **The action is invalid if the reviewer cannot confirm the validity of the eligibility worker's decision in the case record to deny, terminate, or suspend the action for the stated reason(s).**

When a negative action is invalid, the reviewer must document the QC file with the inaccuracies of the case and report that the case requires corrective action by State operations/policy. Such action will depend on the reason the action is invalid.

For instance, problems with notices or timely processing would require different corrective action than an incorrect evaluation of a household's income or resources. The reviewer must code and record all the appropriate variance(s) and explain the review findings for the error determination on Form FNS-245.

Flowchart of Steps 1-4 of the Negative Review



1360 ACCEPTABLE DOCUMENTATION. The case record may contain documents or statements the reviewer may use as verification if the documentation is adequate and applies to the appropriate time period.

- Examples of documents or statements that can be considered acceptable documentation are copies of official documents or reports; information on a signed application; electronic data; check stubs; receipts or full recording by a person, including the eligibility worker, who has secured information directly from public or other records.
- Acceptable documentation must clearly demonstrate ineligibility. For example, a denial for being over the gross income limit based upon earnings must have a complete explanation including the earning figures (each week's pay, etc.) used to calculate the monthly earnings and must show the calculation/conversion. The State agency is required to verify income earnings to deny for over income. Denials for over income based on self-attestation must result in an invalid negative action.
- Documentation must be relevant to the time period under review. Outdated information (information from a time period that does not affect the current application or reapplication under review) or information not available at the time of the action is not appropriate documentation.

To determine whether the action and notice of adverse action are valid, the reviewer must verify the element(s) of eligibility pertaining to the action recorded on the notice, depending on the circumstances of each action and the information included in the case record. Documentation in the case record must be sufficient to support the reviewer's decision on the status of the action.

The first source of documentation found in the case record may be a written statement made by the participant, which does not need to be verified by SQCR, unless it is mandatory verification. For example, if a household is denied because of their resources, the reviewer does not need to verify the statement with the household. However, if the household was denied due to excess net or gross income, the income must have been verified by the EW.

The reviewer must only verify information used to determine the validity of the decision to deny, terminate, or suspend the household and address the adequacy of the notice provided to the household.

Examples of Acceptable Documentation for Negatives		
Code	Recorded Reason for the Action	Example of Acceptable Documentation
01	Resident of an institution not authorized by FNS	Collateral contact with an official at the institution or contact with the State Agency to confirm the institution is not authorized by FNS
02	Outside of project area or State	Household's statement or copy of notification from other State Agency
03	Ineligible striker	Household's statement, collateral contact with employer, or other individuals knowledgeable of the strike
04	Ineligible non-citizen	Household's statement or documentation from other Federal agencies
05	Ineligible student	Documentation of student status, work hours, or absence of documentation of an exemption
06	Ineligible boarder	Household's description of boarder status
07	Missed scheduled interview(s)	Copy of the eligibility worker's letter to the household scheduling the interview and any notice of missed interview
08	Failed to provide verification	Copy of the eligibility worker's letter to request SNAP related verification, and documentation of the failure to provide the requested verification
09	Refusal to cooperate	Eligibility worker's notes about the refusal, household's statement, or letter indicating refusal
10	Refusal to supply SSN	Eligibility worker's notes about the refusal, household's statement, or letter indicating refusal

Code	Recorded Reason for the Action	Example of Acceptable Documentation
11	Gross monthly income exceeds maximum allowance	Verification of gross income, documentation about how gross income was calculated including pay amounts and frequency of pay, comparison of the household's gross income to the gross income limit, and the household's size
12	Net monthly income exceeds maximum allowance	Verification of net income, documentation about how net income was calculated including pay amounts and frequency of pay, comparison of the household's net income to the net income limit, and the household's size
13	Exceeds resource standard	Household's statement about the type and value of resources, collateral contact, or source knowledgeable about the value of the resource
14	Transfer of resources	Household's statement/collateral contact about the type of resource, value of the resource, and date of the transfer
15	Failure to comply, without good cause, with work registration/job search requirements	State work registration workers documentation of the household's failure and lack of documentation of any exemptions
16	Voluntary quit	Documentation of the household's statement and lack of documentation of any exemptions
17	Failure to submit/complete required report	Eligibility worker's documentation of non-receipt of the required report and absence of the report
18	Voluntary withdrawal after certification	Documentation of the household's statement
19	Termination/denial due to TANF termination/denial	Documentation indicating the change in TANF should have been processed as a change in lieu of a termination
20	Intentional program violation	Documentation an IPV was determined and applied
21	Termination/denial due to Program disqualification	Disqualification letter or record of the disqualification

Code	Recorded Reason for the Action	Example of Acceptable Documentation
22	Termination/denial of household of able-bodied adult(s) whose time-limited period of SNAP eligibility has expired	Participation history or a description of how the eligibility worker determined the household's timelimit had expired
23	Failure to comply, without good cause, with SNAP work requirements	State work registration workers documentation of the household's failure and absence of participation records for workfare, E&T, etc.
24	Eligible for zero benefits	Describe household's eligibility and how benefits were calculated, attach supporting documents
25	Failure to access EBT benefits	Benefit history which indicates the benefits were not accessed for three consecutive months
26	Loss of contact with household	Documentation of efforts made to contact the household and lack of any evidence of contact
27	Applicant/household deceased	Record indicating the death of applicant/household
28	Not eligible for separate household status	Documentation of household's circumstances that require combined household composition with others
29	Not eligible due to status as fleeing felon, parole violation, drug conviction etc.	Documentation of status that caused ineligibility
30	Reason for denial/termination /suspension not documented	Documentation of all available evidence why the negative action may have been taken
31	Household received benefits in another SNAP household for same time period	Documentation the household had a duplicate SNAP case during the same time period or that specific household members were included in another SNAP case during the same period in the same State

32	Household received benefits in another state for the same time period	Documentation the household participated in another State during the same time period
33	Household received tribal commodities and is not eligible to receive SNAP benefits	Documentation the household received tribal commodities during the same time period
99	Other	Documentation of circumstances of the negative action

1370 TRANSMISSION OF NEGATIVE CASE FINDINGS TO FNS, DATA CHECKING, AND CHANGING CASE FINDINGS. Once the error determination process is complete and the review decision has been made, the case findings must be transmitted to FNS. Once a case has been transmitted/released, the protected field findings for that case may not be changed.

1370.1 Case File Structure for Negative Cases Sent to FNS.

Negative Complete Cases. QC documents must be organized and submitted to FNS in the following order:

1. Negative Sample Selection Sheet
2. QC Review Narrative Summary
 - Include the sampled action date for the case
3. FNS-245, Quality Control - SNAP Negative Case Action Review Schedule
 - Reviewers must document the form sufficiently to explain the circumstances of the case, whether the action was valid or invalid, and the factual information that was the basis of their decision.
4. Documentation of Negative Action taken (Denial, Termination, Suspension)
5. For Denials - the application;
For Terminations - Information that caused the termination action;
For Suspension - Information that caused the suspension action
6. All documents relating to the negative action that verify information or document information observed.
 - Includes EW documentation on why the action was taken
7. The following documents as they relate to the negative action taken:
 - SNAP Application, Eligibility History, Benefit/Issuance History.

Negative Incomplete Cases. QC documents must be organized and submitted to FNS in the following order:

1. QC Review Narrative Summary
 - Include the sample selection date for the case
2. FNS-245, Quality Control - SNAP Negative Case Action Review Schedule
 - Reviewers must document the form sufficiently to explain the circumstances of the case, whether the action was valid or invalid, and

the factual information that was the basis of their decision.

3. Verification/Documentation to support the reason for dropping the case.
 - The definition of a case record in Section 1330 makes it clear there are few, if any, cases that will meet the definition of an incomplete case.
4. Notice of denial/termination
5. The following documents as they relate to the negative action taken:
 - SNAP Application, Eligibility History, Benefit/Issuance History

Chapter 14 INFORMAL RESOLUTION AND ARBITRATION

1400 INFORMAL RESOLUTION AND ARBITRATION.

1410 INFORMAL RESOLUTION. Informal resolution is a process that provides an avenue for States to dispute what they believe to be incorrect Federal findings. This is not a process of negotiation or compromise between the Federal and State agencies.

The official regional findings letter is sent electronically to the State with a read return receipt. Upon receipt of the finding, States have the right to request information resolution, and thus provide clarifying information, through phone calls, electronic email, fax, etc.

When contacted by the State, the FNS regional office should make every effort to explore the State's dispute of finding as quickly as possible, given the State is held to the overall 20-day arbitration deadline.

Informal resolution must end on the earlier of:

- The date the arbitrator receives the State's request for arbitration, or
- The State's 20-day deadline for requesting arbitration for that review.

If informal resolution results in a revised Federal finding, that finding must be sent to the State agency via a new regional finding letter. The State agency has the right to request arbitration of the revised Federal finding, which is subject to a new 20-day time limit.

Informal resolution can be continued up to the regulatory time limit for requesting arbitration (20 days). The onset or continuance of informal resolution does not postpone the 20-day time limit for requesting arbitration. The 20-day time limit begins from the date the regional finding letter is received by the State agency. Informal resolution may continue until the disagreement is resolved, arbitration is requested, or when the 20-day limit for requesting arbitration expires, whichever is earlier.

1420 ARBITRATION. The purpose of the arbitration process is to resolve disagreements between the State agency and the FNS regional office concerning individual QC case findings and the appropriateness of actions taken to dispose of an individual case. The following circumstances are subject to arbitration:

- Cases where the Federal findings disagreed with the State agency's findings
- Cases where the FNS regional office disagreed with the State agency's

disposition of the cases, including disputes over whether a case is subject to review or incomplete

- Cases where the application of policy in a particular QC case impact the difference in a disposition/finding

Established policy and comments on or coding of procedural deficiencies that do not impact the findings/disposition are not subject to arbitration. Federal disagreements with timeliness coding in active cases, for application processing, or recertification processing do not impact the findings/disposition and are not subject to arbitration. The State may utilize the informal resolution process to resolve these differences. The decision reached by FNS in the informal resolution process will be the final determination.

Agree cases are not subject to arbitration, however, they can be discussed through the informal resolution process. If, as a result of informal resolution, the State and the FNS regional office decide the previously issued agree findings no longer apply (e.g., the State found new information about the case), the regional office must issue a new regional finding letter disagreeing with the State's original findings. At this point, the disagree case is subject to arbitration and the 20-day time limit for requesting arbitration restarts.

Arbitration is a one-tier process. The State agency appeals to the SNAP Quality Control Arbitrator if the State agency does not agree with the regional office findings. The decision of the QC Arbitrator is final.

Arbitration is limited to an examination of specific issues supporting the findings or disposition being challenged. However, the arbitrator cannot ignore any mathematical errors on the computation sheet that are discovered during the review of the case. The impact of the mathematical errors must be included in the final benefit calculation.

1421 Documentation. The State agency is responsible for including all necessary documentation to support its position when submitting a case for arbitration. The region is responsible for defending its finding and providing the arbitrator with the supporting evidence for that finding.

Failure to include a single important piece of information could result in an adverse decision for either party. The documentation to support findings may include, but is not limited to:

- The region's finding and all subsequent correspondence from the FNS regional office related to the finding such as, e-mail or any other correspondence relative to the case decision.
- A copy of the applicable worksheet(s) and related attachments:

- Activities - Form FNS-380, Form FNS-380-1, attachments to Form FNS-380
 - Negatives - Form-245 and attachments (including related notices) to the FNS-245
- Relative State option information such as budgeting and reporting options
 - The existence and provisions of all waivers applicable to the case circumstances, including the approval, implementation dates, and expiration dates
 - Applicable State policies including implementation dates; e.g., pages of the State manual indicating the conversion method selected, applicable standard utility allowance(s), etc.
 - Written policy interpretations provided by FNS and the date provided to the State agency
 - A clear record of all actions taken by the reviewer in completing the case
 - Appropriate verification and clear, concise documentation of every aspect of the household's circumstances
 - Legible, complete copies of all case record material (a half cut-off copy of a court record on child support payments that is not identifiable cannot be considered by the arbitrator)

If the arbitrator needs additional information or clarification of material presented, it is the arbitrator's prerogative to request the needed information from the relevant party. The arbitrator reserves the right to seek policy clarification from subject matter experts in the SNAP national office.

The arbitration decision will fully explain the rationale for the final decision, addressing each point in consideration.

1422 Usual Timeframe for Requesting Arbitration. A State agency must request arbitration within 20 calendar days of receipt of the regional findings letter. The first day of the 20-day period begins on the day after the day the State agency receives the findings.

When a State agency timely disposes of a case as incomplete or not subject to review, then later completes the review and the completed case is selected for Federal subsampling, the State agency is allowed the full 20-day period to request arbitration. If the State agency was late when they originally disposed of the incomplete or not subject to review case, the State agency will have one less day for each day they were late to request arbitration of the completed case.

<p>Example of the First Day of the 20-Day Period: The State agency receives the findings letter on June 8. June 9 is the first day of the 20-day period. If mailed, the postmark on the State agency's request will be used to determine whether a request was submitted timely. If e-mailed, the date the e-mail is received in the arbitrator's inbox will be used.</p>	
<p>Example of a timely request: The regional findings were issued to the State agency on February 27 and received by the State agency on March 1. The case is a disagree case. The State agency's request for arbitration is postmarked March 15. This case is subject to arbitration.</p>	<p>Example of a request that is too late for arbitration: The regional findings were issued to the State agency on March 4 and received by the State agency on March 8. The case is a disagree case. The State agency's request for arbitration is postmarked April 11. This case is not subject to arbitration as it was submitted late.</p>
<p>Example of a request that is timely because FNS issued a new finding letter: The regional findings were received by the State agency on March 1. The FNS regional office agreed with the State agency findings. On April 5, the State agency requested arbitration based on new information disputing its initial findings. The regional office issued a new letter on March 20 disagreeing with the State's original findings. This case is subject to arbitration.</p>	<p>Example of how the usual timeframe is reduced: The review's sample month was April. The deadline for disposing the review was August 3. The State agency disposed of the review on August 5. The State agency received the Federal finding on October 6. The usual deadline for requesting arbitration would be October 26, but because the disposition was two days late, the deadline for requesting arbitration is October 24.</p>

1423 Unusual Timeframe for Requesting Arbitration. A State agency is supposed to dispose of each review no later than 115 days after the end of the sample month. For every day that disposition is late, the State agency loses a day to request arbitration.

Example of a late request because of a late disposition: The State agency was ten days late in disposing the review. The State agency received the finding letter on November 7. The State agency requested arbitration on November 19. The case is not subject to arbitration because it was submitted late.

1430 SNAP QUALITY CONTROL ARBITRATION.

1431 General. SNAP quality control arbitration is the final level in the process of resolving differences in the disposition and findings of cases within the SNAP Quality Control process. As such, when the arbitrator makes a determination, that decision is final. Due to the finality of arbitration, it is very important the case record is complete when the case is submitted to the arbitrator.

1432 Quality Control Arbitrator. This individual must not be a QC reviewer, oversee QC reviewers, or in any way be directly involved in the validation effort.

1433 Quality Control Arbitration Procedures. The State agency will have 20 days from the date of the receipt of the regional findings letter to request arbitration of a disagree case. If the last day of the period falls on a Saturday, Sunday, or Federal or State holiday, the 20-day time frame runs to the end of the next workday.

1433.1 Instructions for Submitting Arbitration Requests. Requests for arbitration must be sent directly to the quality control arbitrator. The arbitrator accepts requests only by e-mail. The State must ensure any personally identifiable information (PII) is password protected and that the password is not transmitted in the same e-mail message as the PII. Please indicate, “SBU” (Sensitive But Unclassified), in subject lines of e-mails sent to the arbitrator.

E-Mail Address:

Mary Kate Karagiorgos
sm.FN.QCArbitrations@USDA.gov

1433.2 Notification to Appropriate FNS Regional Office of Arbitrations Requested in Addition to Providing the Regional Office With a Copy of the Arbitration Request(s) The State agency must notify the appropriate FNS regional office when arbitration is being requested. A copy of the arbitration request must be sent to the regional office.

1433.3 Submission of All Appropriate Documentation Within the 20-Day Timeframe. The arbitration request must include all appropriate documentation specified in [Section 1421](#) of this chapter; however, additional information may be submitted after the request, provided it is submitted within the 20-day time frame.

1433.4 Arbitrator Request for Additional Information and Notification of the Arbitrator's Decision and Rationale. The arbitrator may request additional information from the State agency whenever necessary. The arbitrator will notify the State agency and the regional office of the decision, explaining the rationale for the decision.

1440 HANDLING CASE FINDINGS. In determining State agency error rates, the FNS regional office will use the results of its review unless the arbitrator decides in favor of the State agency or an alternate finding. Once the arbitrator's decision has been made, the FNS regional office will make any changes necessary to the State and/or regional disposition or findings.

Appendix A Placeholder SNAP Quality Control Error Threshold

The Food and Nutrition Act requires that the SNAP QC review process include an error threshold (QC tolerance level) for its active frame cases. This threshold determines which cases reviewed by QC will end up in the calculation of a State's official error rate. Prior to FY 2014, the threshold required a regulatory or legislative change for the threshold amount to be adjusted. However, in 2014, an act of Congress required the FY 2014 threshold to be used as a baseline for all fiscal years moving forward. For fiscal years 2015 and thereafter, the 2014 QC tolerance level is adjusted annually by the percentage by which the Thrifty Food Plan (TFP) for the 48 contiguous States and the District of Columbia is adjusted.

Cases with a final error allotment amount **less than or equal to (\leq) the threshold are not included** in the calculation of a State agency's official error rate for that fiscal year.

Cases with a final error allotment amount **greater than ($>$) the threshold are included** in the calculation of the State agency's official error rate for that fiscal year.

The current fiscal year QC error tolerance amount is available on the USDA Food and Nutrition Service website here:

<https://www.fns.usda.gov/snap/qc/ett>

Reviewers are responsible for ensuring the correct QC error threshold is used for the applicable fiscal year under review.

Reviews with paper copies of the FNS Handbook 310 may print and insert the policy memo after this page.

Appendix B Placeholder

Office of Management and Budget (OMB)
Information Collection Record 0584-0074: Form FNS-380
Worksheet for SNAP Quality Control Reviews

The approved OMB forms are updated through Notice and Comment and are implemented via QC Policy Memorandum outside of updates to procedures for the FNS Handbook 310. Reviewers are responsible for ensuring the correct form is used for the applicable fiscal year under review. The form and instructions are accessible from the SNAP Quality Control page of the USDA Food and Nutrition Service public web site at:

<https://www.fns.usda.gov/snap/quality-control>

Reviewers with paper copies of the FNS Handbook 310 may print and insert the form and instructions after this page.

Appendix C Placeholder

Office of Management and Budget (OMB)
Information Collection Record 0584-0299: Form FNS-380-1
Quality Control Review Schedule

The approved OMB forms are updated through Notice and Comment and are implemented via QC Policy Memorandum outside of updates to procedures for the FNS Handbook 310. Reviewers are responsible for ensuring the correct form is used for the applicable fiscal year under review. The form and instructions are accessible from the SNAP Quality Control page of the USDA Food and Nutrition Service public website at:

<https://www.fns.usda.gov/snap/quality-control>

Reviewers with paper copies of the FNS Handbook 310 may print and insert the form and instructions after this page.

Appendix D Placeholder

Office of Management and Budget (OMB) Information Collection Record 0584-0034: Form FNS-245 SNAP Negative Case Action Review Schedule

The approved OMB forms are updated through Notice and Comment and are implemented via QC Policy Memorandum outside of updates to procedures for the FNS Handbook 310. Reviewers are responsible for ensuring the correct form is used for the applicable fiscal year under review. The form and instructions are accessible from the SNAP Quality Control page of the USDA Food and Nutrition Service public website at:

<https://www.fns.usda.gov/snap/quality-control>

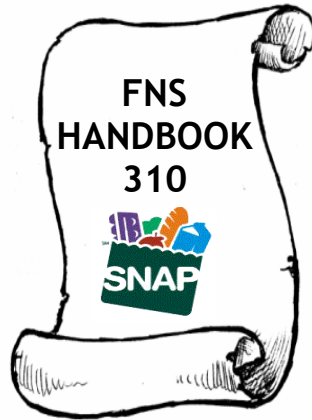
Reviewers with paper copies of the FNS Handbook 310 may print and insert the form and instructions after this page.

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