



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

Family Investment Administration
ACTION TRANSMITTAL

Control Number: 06-29

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS**

FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR

**RE: DEDUCTION LANGUAGE ON THE APPLICATION AND REPORTED
CHANGES**

PROGRAM AFFECTED: FOOD STAMP PROGRAM

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY:

On March 25, 1999, Action Transmittal 99-39 - New Language on the System Generated Eligibility Determination Document (EDD) was issued. This action transmittal described the statement on the EDD that says, "Failure to report or verify dependent care expenses, shelter costs, medical expenses or child support payments will be seen as a statement by your household that you do not want to receive a deduction for the unreported or unverified expense." According to this action transmittal case managers were directed to certify a household without the deduction if the household reported a deduction but did not provide required verification.

The Food and Nutrition Service (FNS) is concerned that states are using this policy when a household reports a change in a deductible expense during the certification period, but does not verify it. FNS pointed out that they intended for states to use this policy only for applications and at recertification.

We are issuing this action transmittal to make sure everyone understands the policy for changes reported during a certification period and at recertification.

There is no change in Temporary Cash Assistance or Medical Assistance policy regarding deductions or handling changes.

Note: Change reporting policy is in the Food Stamp Manual in section 420. We have also attached a fact sheet that includes verification and change reporting requirements.

ACTION REQUIRED:

In general the same verification requirements that apply at initial application apply to changes reported during the certification period, with some exceptions. (See the attached fact sheet.)

When the Reported Change Results in an Increase in Benefits

- Obtain required verification for an interim change (see attached fact sheet) before taking action on a change that results in an increase in benefits.
- Allow the household 10 days from the date the change is reported to provide verification.
 - If the household provides verification within the 10-day period, the time frame for taking action runs from the date the change is reported. (The time frames for making a change are included in the attached fact sheet.)

Example: On April 20th Ms. A reported that she moved. At her former address she paid \$300 rent, which included all utilities. At her new address she said she pays \$400 rent and also has to pay for her heat. The reported change causes an increase in her food stamps. The case manager found the reported change questionable and requested verification. Ms. A provided verification on April 28. This household is entitled to increased benefits effective in May.

Note: some local departments have chosen the option to verify shelter costs for all cases in their jurisdictions and some only at set intervals. Your local option may affect required verification.

- If the household does not provide required verification within 10 days from the date the change is reported the time frame for taking action runs from the date the household provides the verification.

Example: Same scenario as above, except that Ms. A did not provide verification until May 10. The local department will make the change no later than the June issuance.

- If the household does not provide required verification, do not increase the household's allotment and do not make the change. Upon receipt of the required verification, increase the household's allotment as described in section 420.5 in the Food Stamp Manual.

Example: Ms. A did not provide verification of her new shelter expenses. Based on the FNS clarification, the case manager kept the shelter costs at \$300 for the remainder of the certification period. Ms. A submitted an application for recertification. The case manager again requested verification. Ms. A still did not provide verification of her shelter costs and gave no indication that she needed help getting the verification. The

case manager removed the shelter costs from the SHEL screen for the new certification period.

Note: This policy applies to all reported changes, not just changes in deductions. See the attached fact sheets for verification and change reporting policy.

Example: Mr. B reported that his job had ended. The case manager requested verification of this. Mr. B did not return requested verification. The case manager includes this in narration to support the decision to leave the income in the benefit calculation.

When the Reported Change Causes a Decrease in Benefits or Ineligibility

- Issue a notice of adverse action to the household within 10 days of the date the change is reported when its benefit level decreases or it becomes ineligible as a result of a change.
- Make the decrease in the benefit level effective no later than the allotment for the month following the month in which the notice of adverse action period expires, provided the household does not request a fair hearing and a continuation of benefits.
- Verification is not required until the next recertification if a change results in a decrease in benefits.

Example: On May 25th Mr. B reported that his rent, which was \$500, went down to \$300. This change will cause a decrease in his food stamps. The case manager changes the rent amount on the SHEL screen to reflect the rent change. Because of the adverse action period, the benefits go down effective July 1.

Reminders for Payment Accuracy and Preventing Quality Control Errors:

- **Do not make a change that increases benefits until you receive required verification.**
- **If the household reports a change in address do not wait for verification of the new shelter amount before updating the ADDR screen in CARES.**
- **When the household provides required verification, you must take action on the change within 10 days of when you receive the verification. If you do not make the change after receiving the verification it will be a Quality Control (QC) payment error.**
- **To avoid a QC error, it is important to narrate the case to support your decision.**
- **Households must report all changes and provide required verification at recertification. If they do not report or provided required verification of**

**deductions at recertification do not use them in the benefit calculation.
Narration must support this decision.**

- **When closing a case because a household did not provide required verification in response to a request for clarification of unclear information (see Food Stamp Manual section 420.8 and attached fact sheet) narrate thoroughly to avoid an invalid negative finding.**

Note: If appropriate, establish a claim for any overpaid benefits.

ACTION DUE:

This policy is effective upon receipt.

INQUIRIES:

Please direct questions to Kay Finegan at 410-767-7939 or Rick McClendon at 410-767-7307.

cc: FIA Management Staff
Constituent Services
DHR Help Desk

VERIFICATION FACT SHEET

Verification at Application – Regular Processing	Verification at – Application for Expedited Processing	Verification at Interim Change	Verification at Recertification
<p>Verify the following information before you certify a household for initial benefits. Do not verify the factors listed in the Food Stamp Manual in section 408.12 for categorically eligible households:</p> <ul style="list-style-type: none"> ➤ Gross, non-exempt income; ➤ Social Security Number; ➤ Medical expenses, including reimbursed amounts, if the household claims allowable medical expenses above \$35 per month; ➤ Utility expenses, if the household claims actual expenses or if needed to determine eligibility for SUA or LUA; ➤ Amount of countable resources; ➤ Residency; ➤ Identity; ➤ Household composition, if questionable; ➤ Immigrant status; ➤ Legal obligation to make child support payments to or for someone living outside the household and the amount of the payment. ➤ Disability when necessary for other eligibility determinations (e.g. eligibility for uncapped shelter, medical expenses or exemption from work registration); ➤ Shelter costs for a homeless household if it claims shelter expenses that would result in a shelter deduction in excess of the homeless shelter allowance of \$143. <p>Optional Verification: Local departments may elect to require verification of other factors of eligibility that affect eligibility or allotment if the requirement applies to all cases.</p>	<ul style="list-style-type: none"> ➤ Verify the identity of the applicant in all cases through a collateral contact or other readily available documentary evidence. ➤ Make all reasonable efforts to verify the household's residency, income, liquid resources and other factors of eligibility within the expedited processing time frames. ➤ Do not delay certification beyond the expedited processing time frames if you cannot verify eligibility criteria other than identity. <p>Reminder: Screen all applications on date filed. Same day issuance for expedited cases in Maryland.</p>	<p>The same verification requirements that apply at initial application apply to changes reported during the certification period with the following exceptions:</p> <ul style="list-style-type: none"> ➤ Unless questionable do not verify the following changes in income if: <ul style="list-style-type: none"> • The source has not changed; • The amount has changed by \$50 or less ➤ Unless the information is incomplete, inaccurate, inconsistent or outdated, do not verify actual utility or medical expenses that are unchanged or have changed by \$25 or less, <p>If the change increases benefits, do not make the change until you receive required verification.</p> <p>Verification is not required until the next recertification if a change results in a decrease in benefits.</p>	<p>Re-verify the following information at recertification:</p> <ul style="list-style-type: none"> ➤ Gross non-exempt income if source has changed or amount changed by more than \$50; ➤ Previously unreported and total recurring medical expenses which have changed by more than \$25; ➤ Actual utility expenses which have changed by more than \$25; ➤ Newly obtained Social Security Number (changes in Social Security Numbers previously verified must be re-verified); ➤ Changes in legal obligation to pay child support, the obligated amount and the actual amount paid to a non-household member; ➤ Changes in immigrant status; ➤ Work hours for ABAWDS; ➤ Changes in residency; and ➤ Changes in household composition, if questionable. <p>NOTE: Re-verify other information, including resources, if it is incomplete, inaccurate, inconsistent or outdated.</p>

Verification of Questionable Information

- Verify all other factors of eligibility if they are questionable and affect the household's eligibility or benefit level.
- To be considered questionable, the information on the application must be:
 - Inconsistent with statements made by the applicant; or
 - Inconsistent with other information on the application or on previous applications; or
 - Inconsistent with information received by the local department.
- Evaluate each household on the basis of its individual circumstances when determining if information is questionable.

TIME FRAME FOR LOCAL DEPARTMENT ACTION ON CHANGES

Increase in Benefits – Normal Changes	Increase in Benefits – Expedited Change	Decrease in Benefits
<ul style="list-style-type: none"> ➤ For changes that result in an increase in a household's benefits, other than an expedited change, make the change effective no later than the first allotment issued ten days after the date the change was reported to the local department. <p>Example: A \$30 decrease in income reported on May 15th would increase a household's June allotment. The same decrease reported on May 28th would increase the household's allotment no later than July 1.</p> <ul style="list-style-type: none"> ➤ You may make a normal processing change effective earlier than the first allotment issued ten days following the date the change is reported/verified. <p>NOTE: In the above example, the case manager could increase benefits for June. Local departments that choose this option must apply it to all households and not on case-by-case basis.</p>	<ul style="list-style-type: none"> ➤ Make a change that results in an increase in benefits effective no later than the first allotment issued ten days after the date the change was reported under the following conditions: <ul style="list-style-type: none"> • The addition of a new household member; or • A decrease in \$50 or more in the household's gross monthly income. ➤ Make an expedited change effective no later than the month following the month in which the change is reported. ➤ Issue a supplementary benefit to households when they report an expedited change too late to adjust the following month's allotment. <p>Example: A household reporting a \$100 decrease in income at any time during May is entitled to an increase in June's allotment. If the household reported the change after May 20th and it is too late to increase the allotment by June 1, the local department must issue a supplementary benefit for June.</p>	<ul style="list-style-type: none"> ➤ Issue a notice of adverse action to a household within 10 days of the date a change is reported when its benefit level decreases or it becomes ineligible as a result of a change. ➤ Make the decrease in the benefit level effective no later than the allotment for the month following the month in which the notice of adverse action period expires, provided the household does not request a fair hearing and a continuation of benefits. ➤ Obtain required verification prior to recertification. ➤ When the notice of adverse action is not used because of one of the exemptions listed in Section 430.4 of the Food Stamp Manual, make the change no later than the month following the change.

UNCLEAR INFORMATION

- You may get information about changes in a household's circumstances but cannot readily determine the effect of the change on the household's food stamps. This could be information from a third party, from an automated match, or from the household itself.
- Use the following procedure to get clarification of the household's situation:
 - Issue a written request for clarification (RFC), which:
 - ✓ Clearly tells the household of the verification it must provide or the actions it needs to take to clarify its circumstances;
 - ✓ Gives the recipient at least 10 days to respond and to provide the requested information; and
 - ✓ Clearly states the consequences if the household fails to respond to the RFC.
 - The RFC can be either the 1052 or the CARES letter for requesting information.
 - If the household does not respond to the RFC, or does respond but refuses to provide sufficient information to clarify its circumstances, issue a notice of adverse action and close the case for failure to provide information.
 - When the household responds to the RFC and provides sufficient information, act on the new information promptly.
 - Do not use the RFC to require customers to meet with or supply information to a fraud investigator.