



Department of Human Resources
 311 West Saratoga Street
 Baltimore MD 21201

**Family Investment Administration
 FIA ACTION TRANSMITTAL**

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

FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR

**RE: TIME FRAME FOR ESTABLISHING A CLAIM AND CALCULATING A
 CLAIM WITH AN ASSOCIATED TCA PAYMENT**

PROGRAM AFFECTED: FOOD STAMP PROGRAM

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

Timeframe for Establishing a Food Stamp Claim

The Food and Nutrition Services (FNS) recently informed us that administrative law judges are overturning food stamp claims when the local department does not establish a claim before the last day of the quarter following the quarter in which the agency discovered a claim. Apparently some hearing officers are interpreting the policy to mean that if we do not establish the claim within the required timeframe we cannot legally establish the claim. This is not correct.

The timeframe for establishing a claim is a claim management tool. States and FNS use this tool to monitor possible claims backlogs. The State is required to develop a corrective action plan if we do not establish 90 percent of the claims within the timeframe.

You must establish a claim even if you cannot establish it before the last day of the quarter following the quarter in which you discover the overpayment.

Example: The local department identified a suspected overpayment in October. The agency received all the verification needed to determine that an overpayment occurred on December 13 (the date of discovery). March 31 is the last day for establishing the claim within the required time frame. If it is established after this date, it will count toward the local office's claims backlog.

Food Stamp Claims with Associated Temporary Cash Assistance Overpayments

We have also heard reports that administrative law judges have requested that, when there are both food stamp and Temporary Cash Assistance (TCA) overpayments, the corrected TCA amount should be used to calculate the food stamp overpayment. Based on clarification from FNS, this is not correct.

CARES correctly calculates the food stamp overpayment using the actual TCA benefit the household received.

Example: Ms. A receives a \$450 TCA grant and a \$300 FS allotment. At the 12/04 redetermination/recertification interview, the case manager discovered that Ms. A has been working and she did not report that her earnings exceeded 130 percent of the federal poverty level. The customer is ineligible for TCA and overpaid for food stamps. To establish the claims, the case manager verified the earnings and entered them into CARES in the historical months. CARES will use the \$450 TCA grant along with the verified earnings in establishing the food stamp overpayment.

Policy Reminder

- The date of discovery is the date that the case manager has sufficient information to determine that an overpayment or trafficking occurred.
- The date of establishment is the date that the initial demand letter is sent to the household.

Inquiries

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

cc: FIA Management Staff
Constituent Services
DHR Help Desk