TRANSMITTAL NUMBER: 99 – 07 Corrective Action (CA)

TO:	**All Field Operations Bureau and Performance Maintenance County Quality Control and Corrective Action Staff**
SUBJECT/PURPOSE:	**Increase in Dollar amount for Excluded Overissuance and Underissuance Variances effective FFY 2000**
RELATED REFERENCE:	**FEDERAL REGISTER, Vol. 64, No. 136, July 16, 1999, Page 38291, FNS Administrative Notice 99-49**
SUPERSEDES:	**FNS Handbook 310 Section 214.1**
EFFECTIVE DATE:	**October 1999 Sample Month**

BACKGROUND:

Section 214.1 of the FNS Handbook 310 states that variances of $5 or less are not counted as quality control (QC) errors. The final rules implementing the QC Technical Amendments of 1995 as published in the FEDERAL REGISTER (July 16, 1999. page 38291), raise this amount from $5 to $25. This change, effective with the October 1999 sample month, means that overissuance (OI) and underissuance (UI) errors of $26 or more will be included variances while those of $25 or less will be excluded variances. Issuances to ineligible households, regardless of the amount, are still included variances.

INSTRUCTIONS:

FOB/PMC QC Staff:

Effective with the October 1999 sample month, do not count Ui's or Oi's of $25 or less. Errors of $26 or more, plus all payments to ineligible households (regardless of the amount), are to be processed as included variances. This change applies to all food stamp cases.

County Corrective Action Staff:

This change should result in fewer countable errors, thereby lowering states' dollar error rates and the national tolerance level. However, countable errors will now have more impact because the regression formula will start with a higher dollar amount. The combination of a steeper regression curve and a possible lower national tolerance level could result in increased sanction amounts for those states (and counties) that exceed the tolerance level.

Because of these factors, counties may want to focus upon those county-specific areas that have the highest dollars in error per case, rather than those areas that have the most errors (if different).

COUNTY INQUIRIES:	**County Program Information Analyst**
DOB INQUIRIES:	**Michael Bowman-Jones** **FOB Program Review Analyst 909) 862-8116**

TOM BENSON, Chief
Data Operations Branch

Attachment(s):