

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



April 16, 2003

ALL COUNTY INFORMATION NOTICE NO. I-25-03

TO: ALL COUNTY WELFARE DIRECTORS
ALL CaWORKs PROGRAM SPECIALISTS
ALL FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

- State Law Change
 Federal Law or Regulation Change
 Court Order
 Clarification Requested by One or More Counties
 Initiated by CDSS

SUBJECT: ELECTRONIC BENEFIT TRANSFER (EBT) QUESTIONS AND ANSWERS

The purpose of this notice is to provide responses to questions submitted by counties regarding benefit replacement, staggered issuance of food stamp benefits, and change of payee/head of household in an EBT environment.

BENEFIT REPLACEMENT

1. Under what circumstances can lost or stolen benefits be replaced?

Recipients are instructed to immediately contact the EBT contractor [Citicorp Electronic Financial Services, Inc. (CEFS)] by calling the automated response unit or customer service center, or the county to report that their card has been lost or stolen. At the time of such report, the recipient is issued a replacement card, the lost or stolen card is immediately deactivated and no further use of the deactivated card is possible. Any benefits accessed prior to the report of the loss or theft of the original card cannot be replaced. If the original card is not deactivated (due to inaction by CEFS or the county), any benefits accessed subsequent to the report shall be replaced.

However, in those counties opting for mail-based issuance of EBT cards and Personal Identification Numbers (PINs), there may be circumstances in which the mailed card and PIN (sent separately) are not received by the recipient. In those cases, the recipient is entitled to replacement of benefits accessed prior to their reporting the non-receipt of the card. In such cases, CDSS strongly recommends that any recipient whose card has been stolen from the mail prior to receipt be issued their replacement card over the counter. Again, such benefit replacement can only occur during the EBT conversion period and for initial issuances in those counties choosing mail-based card and PIN issuance.

BENEFIT ISSUANCE

2. Federal Food Stamp regulations mandate that not more than 40 days shall elapse between the issuance of any two allotments provided to a household participating longer than two consecutive months. Due to the provisions of the

Hunger Prevention Act, a household can be issued both the first and second month's allotments during the first month if the application is approved after the 15th day of the month. Under this scenario, due to benefit staggering, it is possible that a period greater than 40 days will elapse between the initial double month issuance and the issuance date in the third month. Does this situation, preclude the staggering of benefits in the third month?

No . The 40-day rule does not apply in this circumstance. This is clarified in Federal Register Volume 60, No. 79 dated April 25, 1995 as follows:

*“Whenever staggered issuance is utilized, the State agency must ensure that the interval between any two issuances after the first full month of participation is not longer than 40 days as required by Section 7(h) of the Act, 7 U.S.C. 2016(h)(2). This applies to instances in which a State agency changes its issuance system, decides to no longer stagger within a system, or is fluctuating the issuance schedule by a day or two within a current staggered system. **The only exception to the 40-day limit occurs for some households which apply after the 15th day of the month and receive their first and second month’s benefit as a combined allotment. Since they may receive their benefits for the first and second months of participation in the first month, more than 40 days may elapse before they are put on a regular issuance schedule, beginning with benefits issued for the third month.**”*

CHANGE OF PAYEE/HEAD OF HOUSEHOLD

3. There are circumstances in which a head of household/primary payee leaves the home mid-month and another individual (such as a non-needy grandparent assumes responsibility for the care of the remaining household members.) In such cases the case worker often simply deletes the head of household/payee from the case record and adds the grandparent as the payee. If there are any benefits remaining in the EBT account, the new head of household/payee has access to those benefits. Is this acceptable or should this be considered an overpayment?

EBT does not impact eligibility requirements. For both cash assistance and food stamps, eligibility for benefits is determined as of the household/assistance unit’s circumstances on the first day of a month. In circumstances such as those referenced above, the only way the new payee (grandmother in this example) is entitled to benefits remaining in the account is if the departed head of household/payee chooses to make the benefits available. This can be accomplished by designating the grandmother as authorized representative and/or designated alternate cardholder or by the departed head of household/payee providing their card and PIN to the grandmother. The CWD’s responsibility in such a scenario is to provide the grandmother with her own EBT card and PIN with access only to those benefits to which she is entitled.

It is the CWD's responsibility to ensure that the correct benefits are only made available to the appropriate payee.

Additional policy clarifications will be forthcoming in the future. If you have any questions or would like to discuss these issues further, please contact Stan Cagle, Manager, EBT/ Welfare and Technology Unit, at (916) 654-1529 or David Badal of the Program Technology and Support Bureau, at (916) 654-1405.

Sincerely,

Original Document Signed By

DEBORAH MCFADDEN, CHIEF
Program Integrity Branch

c: CWDA
CSAC
Chris Dunham, EBT Project Director