

# FNS 310 Handbook Presentation

## Clarifying Some Questions

SLO Conference  
September 20, 2007

### **Question #1 Dropping Cases When Household Cannot be Located**

In reference to FNS Handbook 310 (FNS-310) Section 442.1 (Case Record or Household Cannot be Found, Pages 4-9 and 4-10), regarding dropped cases and our attempts to drop as NSTR code 2, versus incomplete code 3:

#### Question #1A

For clients that cannot be located, how do QC reviewers apply this section to clients other than those who are homeless?

#### Response #1A

The same section of the FNS-310 lists the following four sources that can be used in attempting to locate such households:

- (1) The local office of the U.S. Postal Service;  
Note: If the Post Office letter is returned and states mail is being delivered to that address, it no longer counts as a source "most likely to know."
- (2) The State Motor Vehicle Department;
- (3) The owner or property manager of the residence at the address in the case record; and
- (4) Any other appropriate sources based on information contained in the case record such as public utility companies, telephone company, employers, relatives or school officials, jails, hospitals, morgues, etc.

A criticism from FNS has been that reviewers are using those sources that are appropriate for homeless individuals when there is no (or contrary) evidence concerning homelessness.

### **Question #2 "Most Likely to Know"**

How does FNS specifically define the meaning of "most likely to Know", in our attempts to contact 2 sources that are "most likely to know the households current address" regarding those clients we cannot find?

#### Response #2

"Most likely to Know" refers to those sources (either individuals or businesses) that the case record indicates have come into contact with the household or individual members who may be able to provide information as to its whereabouts. A neighbor who was/is a friend may also be used as a source when he/she provides a written declaration. (See Response to Question #1 above.)

### **Question #3 Use of Comparisons I and II**

When the results of the final QC determination indicate that there is an error in the case, when do you use the Comp I or II computations on the Case Review Worksheet?

#### Response #3

(Note: For California's version of Quarterly Reporting, Comp I reflects information from the Sample Month; Comp II data reflects information from the Certification/Recertification application and/or most recent QR-7 Quarterly Report plus any midquarter changes that were processed or should have been acted upon in the allotment amount for that quarter.)

Per FNS-310 Sections 621.3 and .4 (Page6-2), "If the difference between these two allotment amounts (Comparison I vs. the amount of the allotment authorized by the eligibility worker) is \$25 or less, the error determination process is over. There is no error in the allotment amount authorized for the sample month. . . . if the difference between these two allotment amounts is greater than \$25, the reviewer shall proceed to Comparison II. . ." The same process is then done with the steps in completing Comparison II, and there is also no dollar error if the computation and comparison results in a difference of \$25 or less.

Note: Comp II must also include corrections for unreported household changes in income, etc. that should have been known by the household and therefore reported to the Eligibility Worker.

#### Steps for Use of Comparison I:

Authorized Allotment Amount: \$100

Comparison I Allotment Amount: \$90

Differential Amount: \$10 -end of Computation process; do NOT do Comp II.

Authorized Allotment Amount: \$100

Comparison I Allotment Amount: \$70

Differential Amount: \$30 —Proceed to Comp II; > \$25

The process for Comparison II parallels that used for Comparison I in that if the result is \$25 or less there is no error. However, if the computation result is an amount greater than \$25, that amount is compared with the error amount computed in Comparison I and the lower of the two amounts is then used as the amount in error.

Comparison I Error Amount: \$35

Comparison II Error Amount: \$65 --Use Comp I amount

Comp I Error Amount: \$140

Comparison II Error Amount: \$70 –Use Comparison II amount

As stated above, the "Correct Amount" items on the Worksheet are to reflect the computation result that is used as the error amount; if the Comp I result is used, the Comp I budget computation numbers are used and if the Comp II result is used, then the related budget computation figures are entered.

NOTE: The only exception to this process is that for Transitional Food Stamps (TFS) cases wherein Comp II is completed first; see FNS-310 Section 727.3 Page 7-23.)

#### **Question #4 Collateral Contacts**

FNS section 424.7, Obtaining Collateral Contacts states, "If the HH refuses to provide such collateral contacts, one of the following procedures must be followed depending on State requirements:

1. The reviewer should try to find collateral contacts by other means. In addition, the reviewer is free to gather information from collateral contacts other than ones obtained from the household; or
2. The HH must sign a State release of information form to allow QC reviewers to contact third parties to obtain information....etc.

Question #4 Which is California's requirement?

Response #4 California requires the use of both procedures when the household refuses to provide collateral contacts. (See also FNS-310 Sections 842.3-.5, pages 8-10/8-12.)

#### **Question #5 FNS-310 Section Validity**

Is FNS 310 section 1013.5 (Fluctuating Income) still valid. A "Trainer Talk" was issued on this subject stating that the text describing the treatment of Fluctuating Income has been removed.)

Response #5

The only type of document that is recognized as indicating valid changes to the FNS-310 is the FNS QC Memorandum. Since none have been issued indicating that this section is no longer applicable, reviewers are to continue to use it when appropriate.

#### **Question #6 Likely Conclusion**

Likely Conclusion (FNS-310 Section 442.3, Pages 4-14 and 4-15)

This has been discussed in the past but needs more clarification.

Question #6A

When is it appropriate to use Likely Conclusion(s) so that the case can be coded as "Complete" (Code 1) for its Disposition? Does this apply equally to both State and Federal Active Sample Cases?

Response #6A

To answer the second part of the question first: The point cannot be stressed enough that reviews of both State and Federal Sample cases are to be done in EXACTLY the same manner as one another; Federal cases are NOT to receive "better" treatment than State Sample cases. All procedures that must be used in completing Federal Sample reviews must also be used when completing State Sample cases.

Per FNS-310 Section 442.3, "If the reviewer is able to arrive at a likely conclusion, the case should be coded as complete. . . . The reviewer cannot use likely conclusion for certain elements, e.g.: Non-citizen status, IEVS for bank account and employment, . . . SSN's and Work requirements." Therefore, if information cannot be obtained verifying a conclusion for any of these items, the case cannot be coded as "Complete" since likely conclusions cannot be used.

#### Question 6B

If all necessary verifications are obtained with the exception of those elements for which likely conclusions are allowed even though the household has failed/refused to cooperate, should the reviewer “attempt to complete the case without the cooperation of the household . . . even if the household could not be interviewed?”, particularly if the household was certified/recertified either in the month prior to or in the actual Sample Month?

#### Response #6B

FNS-310 Section 410 (Page 4-1) indicates that “A full field review {including face-to-face interview} must be conducted for all active cases that are subject to review except as otherwise provided in this chapter {Alaska Cases} or ineligible cases as provided in section 324.”

Some QC staff believe that the FNS-310 is internally contradictory in that on the one hand it requires all households to be interviewed yet on the other hand directs that Likely Conclusions be used so that cases can be completed even if the household could not be interviewed. (See above quotations.) The intent of this language is that cases not be dropped when there is sufficient verification (with or without the cooperation of the household) to make reasonable conclusions relative to those elements for which such conclusions are allowed such as when the household has been certified/recertified in the Sample or previous month. Note, however, that the face-to-face interview is still required as household circumstances used in computing Comp I may have occurred in the interim.

#### **Question # 7 Sanction Period**

The FNS 310, Section 442.2 and MPP 63-505.131(b) say that when the FSHH fails/refuses to cooperate with QC they are not eligible to FS for 95 days after the end of the Federal Fiscal Year (Annual review period). I believe this date has been changed but do not see this in writing any place. Please clarify the time frame of ineligibility for failing or refusing to cooperate with QC.

#### Response #7

See Question and Answer QC-06-03R which can be accessed the Field Operations Bureau web page at <http://www.cdsscounties.ca.gov/foodstamps/>

#### **Question #8 TFS**

Scenario: The Review month is 6/07. The household was about to be suspended for nonreceipt of the 04/07 QR-7. The CWD received a complete QR-7 on 05/29/07. TFS was issued and authorized by CalWIN on 6/1/07. The CWD took action and rescinded the TFS case on 06/05/07. Do we review this sample under the TFS procedure or the Standard procedure?

#### Response #8

Once a TFS case is established, all factors are “frozen” (with a couple of exceptions related to household composition and recertification) because California has opted not to act on changes reported during the five-month TFS benefit period. Therefore, receipt of a QR-7—which may be indicative of ongoing receipt of CalWORKs benefits as this form is not required for TFS—should not result in any changes IF the household is correctly receiving TFS.

However, based on the information provided, it appears that for some reason either the computer system or eligibility worker linked the nonreceipt of the QR-7 to the termination of CalWORKs benefits so the computer system automatically generated TFS benefits. If in fact the CalWORKs benefits continued, per FNS-310 Section 727, since “Transitional benefits are

an option that a State may choose to provide to households when they leave TANF” (Page 7-21), the household is ineligible for TFS benefits and the case is reviewed in the usual manner.

If in fact the CalWORKs has been terminated, then the QR-7 must be ignored and the case reviewed as a TFS case.

### **Question #9 Duplicate Participation**

Scenario: The client comes in to apply for cash and FS and the case is opened without checking the MEDs system to determine if the first case which had been open in another county was closed.

#### Question #9

How are the duplicate participation procedures in FNS-310 Section 844.2 applied? Can we use this section when we have an active TFS case and the clients come back in to apply for cash and FS and they fail to close the TFS case prior to opening the other case?

#### Response #9

The factor that drives the determination of which case was correctly opened is the determination of which case was the first to be correctly authorized to receive benefits. Based on the information provided, it appears that the case in the other county and the TFS case respectively would be the correct case because each were certified first and there is no evidence that they were not correctly authorized.

### **Question #10 Household Movement/Consolidation**

#### Case Scenario Situation:

The review month is April 2007.

The FS HH consist of –

Grandmother, (Head of Household receiving SSI unaided)

Three grandchildren receiving FS. The two youngest grandchildren are CW recipients

Bart - age 21

Lisa – age 12

Maggie – age 8.

- On 1/3/07...Grandma reports that she has moved from California and the children are with other relatives. The county agency issues TFS for 5 months (Household A).
- On 1/4/07...an aunt applies and is approved for CW only for the 8 year old grandchild.
- On 1/17/07...the 21 year old grandchild, now in possession of Grandma's EBT card, remains in the residence and applies for FS for herself and her 12 year old sibling. FS approved for HH of 2 (Household B).

#### Question #10A

What are the differences/distinctions between FNS-310 Sections 844.1, 844.2, and 844.3?

#### Response #10A

Per FNS-310 Section 844.1, page 8-12 –

1. Section 844.1 applies “to situations involving two or more separately certified households, . . . that should have been certified as one household AORD.”
2. Section 844.2 provides procedures when there is duplicate participation by all or some members of the same household;

3. Section 844.3 covers “situations involving an individual member of a certified household moving in with another separately certified household.”

Thus,

1. applies when two households should have been certified as a single household;
2. is used when a single household receives FS benefits from more than one project area; and
3. situations involving instances wherein members of one household (but not the entire household) move in with another FS certified household.

Question #10B

Was the county’s action to issue TFS correct?

Response #10B

The household would not be eligible for TFS at the point of time wherein all members still lived together and those subsequent households containing the children receiving CalWORKs would also be ineligible. The household with the child not receiving CalWORKs is potentially eligible if it can be demonstrated that the 21-year-old is not required to move in with another household because she is under age 22 per MPP. 63-402.142(a)(1).

Question #10C

Suppose that the county’s action to issue TFS was correct...

Household A is selected for a QC review. Is there a variance? Which section of the FNS 310 applies?

Response #10C

If none of the children received CalWORKs, then household A.’s receipt of TFS benefits would be correct as none of the ineligibility criteria (according to the information at hand) listed in FNS-310 Section 727.1 are applicable.

Question #10D

Suppose that the county’s action to issue TFS was correct...

Household B is selected for a QC review. Is there a citable variance? Which section of the FNS 310 applies?

Response #10D

The household’s TFS eligibility would depend upon whether or not the 21-year-old could demonstrate that she was beyond the care and control of the person(s) who would otherwise have to be in the same household as herself.

### **Question #11 Areas of Successful Arbitration**

Are there any particular areas that the State has been able to use to effectively resolve State/Federal Arbitration issues in its favor? If so, which ones?

Response #11

After the informal resolution process results in a decision that we believe to be incorrect we file for arbitration. Each case filed for arbitration is unique and all the necessary information to support our position for that case and our position is included in the arbitration letter. One very important factor in supporting our position is the referencing of federal and state regulations, state waivers as well as the FNS Handbook 310 Sections. County and state staffs collaborate using the FNS 310 Chapter 14 as its reference in developing the arbitration letter.

When the arbitration letter is sent by the state, the affected county and the state can include any additional evidence that will help the arbitrator to thoroughly understand the state's position in the dispute.