

February 3, 2020

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 18-18E

The purpose of this erratum is to correct language included in [All County Letter \(ACL\) No. 18-18](#) and provide additional policy clarification to County Welfare Departments (CWDs). The [ACL No. 18-18](#) provided CWDs guidance regarding a change to simplified reporting requirements based on an updated threshold amount for reportable changes in unearned income that are actionable at the CalFresh periodic report.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

February 3, 2020

ERRATA

ALL COUNTY LETTER NO. 18-18E

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALFRESH PROGRAM SPECIALISTS
ALL CalWORKs PROGRAM SPECIALISTS
ALL CONSORTIA REPRESENTATIVES
ALL QUALITY CONTROL PROGRAM COORDINATORS

SUBJECT: **CALFRESH CORRECTION AND CLARIFICATION ON CHANGES TO REPORTING REQUIREMENTS**

REFERENCE: [SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM \(SNAP\): ELIGIBILITY, CERTIFICATION, AND EMPLOYMENT AND TRAINING PROVISIONS OF THE FOOD, CONSERVATION AND ENERGY ACT OF 2008; TITLE 7 CODE OF FEDERAL REGULATIONS \(CFR\) §273.12; 7 CFR §273.13; MANUAL OF POLICIES AND PROCEDURES \(MPP\), SECTION 63-500, ALL COUNTY LETTER \(ACL\) 18-18; ACL NO. 15-90; ACL NO. 12-25E; ACL NO. 12-25](#)

The purpose of this erratum is to correct language included in [All County Letter \(ACL\) No. 18-18](#) and provide additional policy clarification to County Welfare Departments (CWDs). The [ACL No. 18-18](#) provided CWDs guidance regarding a change to simplified reporting requirements based on an updated threshold amount for reportable changes in unearned income that are actionable at the CalFresh periodic report.

The following erratum lists both the original language included in [ACL No.18-18](#) and corrections to the impacted section of the letter. Deletions are marked in strikethrough and corrections in **bold**. The changes are as follows:

[ACL No. 18-18](#), page two, reads:

7 CFR §273.12(a)(1)(i)(A): Reportable Changes in Unearned Income

~~New regulations at [7 CFR §273.12\(a\)\(1\)\(i\)\(A\)](#) update the threshold for reporting changes in unearned income at the periodic report from \$50 to \$100. These new regulations apply to simplified reporting households as outlined under [7 CFR §273.12\(a\)\(5\)\(iii\)\(C\)](#). All CalFresh households are simplified reporting households. Therefore, these new regulations apply to all CalFresh households. Furthermore, the new threshold applies only to periodic report or *Eligibility Status Report (SAR 7)* form.~~

New regulations at [7 CFR §273.12\(a\)\(1\)\(i\)\(A\)](#) update the threshold for reporting changes in unearned income at a household's periodic report from \$50 to \$100. These new regulations apply to simplified reporting households as outlined under [7 CFR §273.12\(a\)\(5\)\(iii\)\(C\)](#). All CalFresh households are simplified reporting households. Therefore, these new regulations apply to all CalFresh households. The new threshold applies only at a household's periodic report, known as the Eligibility Status Report (SAR 7).

~~The amount of unearned income reported on the SAR 7 form that is actionable by the CWDs is \$100 or more. This only applies to unearned income. This policy change will not result in any changes to the SAR 7 form, and there will be no changes to the household's responsibility to report. This will reduce client confusion regarding what is required to be reported, particularly in the future when the threshold amount is indexed as newly required under [7 CFR §273.12\(a\)\(1\)\(i\)\(D\)](#) and outlined below.~~

At periodic report (i.e. SAR 7), households must report a change of more than \$100 in unearned income. This amount will be indexed over time as required under [7 CFR §273.12\(a\)\(1\)\(i\)\(D\)](#). Households are not required to report a change of \$100 or less in unearned income on the SAR 7 form. This unearned income reporting threshold only applies at a household's periodic report.

The current *SAR 7* and the *How to Fill Out Your SAR 7 Eligibility Report Status Report (SAR 7A)* will be revised as soon as administratively feasible to reflect the updated unearned income reporting threshold.

~~The CWD will determine whether the change in unearned income reported by the household is under or over \$100 from the last reported unearned income amount (e.g. at initial certification or recertification). If a reported change in a household's unearned income is over \$100, the CWD must act to determine continuing eligibility for benefits. If a reported change in a household's unearned income is under \$100, the CWD shall disregard the reported change.~~

If a household experiences a change in unearned income of \$100 or less since their last report, the household is not required to report this change on the SAR 7. However, if a household reports a change in unearned income on the SAR 7, whether the change is under or over the unearned income reporting threshold, the CWD must act on the reported change and adjust the unearned income amount used to determine the household's CalFresh budget moving forward. The CWD cannot disregard a reported change in unearned income on the SAR 7.

As a reminder, per [7 CFR §273.12\(a\)\(5\)\(ii\)\(B\)](#), at initial application and recertification, the CWD must provide the household with a written and oral explanation of the periodic reporting requirements including:

- (1) Changes that must be addressed and verified on the SAR 7;**
- (2) When the SAR 7 is due;**
- (3) How to obtain assistance in submitting the SAR 7; and**
- (4) The consequences of failing to submit a SAR 7.**

As mentioned, the SAR 7A will be revised to reflect the new unearned income reporting threshold amount. The CWDs are reminded that when providing the household with a written and oral explanation of the reporting requirements, they must also address the new unearned income reporting threshold.

If you have any questions regarding this letter, please contact the CalFresh Policy Bureau at (916) 651-8047.

Sincerely,

Original Document Signed By:

JENNIFER HERNANDEZ
Deputy Director
Family Engagement and Empowerment Division