

**63-504**    **HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY**    **63-504**  
(Continued)

| (MR) .35    Action on Reported Information

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See handbook section in 63-504.26 for Saldivar v. McMahon court order requirements for timely and adequate notice.

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(MR) .351 The CWD shall take prompt action on all changes to determine if the reported information affects the household's eligibility and/or benefit level.

(MR) (a) If the reported change results in the household becoming ineligible, the CWD shall terminate the household's participation effective the next issuance month unless the household is suspended, as specified in Sections 63-504.371 or .372.

(MR) (b) Excess resources shall not be counted if they are reduced to the resource limit in the month received.

(MR) .352 If the change reported on the CA 7, except for the addition of a new household member results in an increase or decrease in benefits, the CWD shall make the change effective the next issuance month and notify the household as specified in Section 63-504.26.

(MR) .353 If the reported change results in an increase or decrease in a household's benefits due to the addition of a new household member, the CWD shall make a determination of the new household member's eligibility within 30 days of the date the change was reported. To complete the determination, the CWD has the option either to require the household to complete the CA 8, or to contact the household to obtain the necessary information for the new member and update the last application. However, if the change in circumstances brings continued eligibility into question, the CWD may shorten the certification period of the household, as specified in Section 63-504.14, and proceed to recertify the household.

(MR) (a) The CWD shall issue benefits for the new member effective the first of the month following the month in which the change was reported. The new member shall be required to comply with the verification requirements specified in Section 63-300.5 and the work registration requirements specified in Section 63-407. If the new member is not eligible to participate, the CWD shall treat the income of that excluded member as specified in Section 63-503.44.

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(MR) (b) The CWD shall prospectively budget the new member's income and specific deduction in combination with the existing household's retrospectively budgeted income and deductions to determine the household's benefit level for the first two months the new member is added to the household. The entire household shall be retrospectively budgeted in the third and subsequent months. If the new member had been providing income to the household on an ongoing basis prior to becoming a member of the household and that new member's income had been budgeted retrospectively, the CWD shall exclude the previously provided income in determining the household's issuance month benefits and eligibility.

(MR) 1. The CWD shall add a previously excluded member's income (an individual who was disqualified for an IPV or failure to comply with workfare or work requirements, was ineligible because of failure to comply with the social security number requirement, or was previously an ineligible alien), retrospectively. The previously excluded member shall be added to the household the month after the disqualification period ends. All other previously excluded members such as SSI/SSP individuals or ineligible students, shall have his/her income added prospectively in accordance with the procedures in paragraph (a) of this section.

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- | (MR) (c) The CWD shall notify the household as specified in Section 63-504.26, if the new member's income and resources make the household ineligible or result in a reduction or increase in benefits.
  
- | (MR) .354 If the household reports the addition of a new member after the extended filing date for the appropriate month, the CWD shall determine the effect of the new member's income, resources, and deductions on the existing household's eligibility and benefit level.
  
- | (MR) (a) The CWD shall prospectively budget the income and deductions of the new member for the first two months following the month in which the new member should have been included as a member of the household. The CWD then shall follow the budgeting procedures as specified in Section 63-504.353(b).
  
- | (MR) (b) The CWD shall establish a claim against the household, in accordance with Section 63-801, to recover any overissuances resulting from the unreported addition of the household member.
  
- | (MR) (c) The household shall not be entitled to any restoration of lost benefits resulting from the unreported addition of the household member, in accordance with Section 63-802.1.
  
- | (MR) .355 The household shall provide, as specified in Sections 63-300.51 and 63-504.32, the information necessary to complete the determinations of eligibility and benefit levels for the household and the new member(s).
  
- | (MR) (a) If the household refuses to provide the necessary information, their participation shall be terminated as specified in Section 63-505.1.
  
- | (MR) (b) If the household fails to provide the necessary information regarding the new member on the CA 7 for the budget month in which the change was reported, the CA 7 is considered incomplete and the household's participation shall be terminated as specified in Section 63-504.361(b).

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(MR) .356 The income and specific deductions of a member leaving the household shall be disregarded when determining the household's eligibility and benefit level for the month following the month in which the change was reported. The household shall be sent a notice of action as specified in Section 63-504.26 if the household's allotment increases or decreases. The remaining household members' benefit level shall continue to be retrospectively budgeted.

(MR) .357 If a household reports a change outside of the CA 7, the CWD shall evaluate the effect of the change on the household's eligibility and benefit level. Regardless of the effect, the CWD shall inform the household to include the information on the next month's CA 7 and inform the household of any additional verification requirements.

(MR) (a) If the change results in the household's ineligibility, the CWD shall terminate the household's participation effective the first issuance month following the timely notice of the termination.

(MR) (b) Except for the addition of a household member, if the change affects the benefit level, the CWD shall note the information in the case file, reflect the change in the corresponding issuance month and notify the household as specified in Section 63-504.26.

(MR) .36 Termination

(MR) .361 The CWD shall terminate a monthly reporting household's participation in the Food Stamp Program if the household:

(MR) (a) Is no longer eligible for Food Stamps or a change in household circumstances makes the household prospectively ineligible for one or more months, except if the household is suspended as specified in Sections 63-504.371 or .372. The household shall be notified as specified in Section 63-504.261.

(MR) (b) Fails to submit a complete CA 7 by the extended filing date. The household shall be notified as specified in Section 63-504.27.

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- | (MR) (c) Fails to comply with a nonfinancial eligibility requirement, such as the work registration requirements. The household shall be notified as specified in Section 63-504.261.
- | (MR) (d) Requests the termination in writing. The household shall be notified as specified in Section 63-504.267(f).
- | (MR) .362 If a household whose participation has been terminated reapplies in the month following termination, the household shall be required to provide the CA 7 which is due in the month following termination. If the household's participation was terminated for failure to submit a complete CA 7 by the extended filing date, they also shall be required to submit the missing CA 7(s) and complete an application. The application shall be processed as an untimely application for recertification. If the household fails to provide the CA 7(s), the reapplication shall be denied.
- | (MR) .363 If a household whose participation has been terminated submits a complete CA 7 after the issuance month, the household shall be required to complete an application and the CWD shall consider it as an initial application.
- | (MR) .37 Suspension
- | (MR) .371 The CWD shall suspend a household, in the issuance month corresponding to the budget month in which the change occurred, if receipt of an additional routine check (third check for those paid biweekly and fifth check for those paid weekly) results in a period of ineligibility lasting no more than one month.
- | (MR) .372 For changes that could not be or were not anticipated by the household or the CWD and that result in a one-month period of ineligibility, the CWD shall suspend the household for the issuance month corresponding to the budget month in which the change occurred.

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- | (MR) (a) Excess resources shall not be counted if they are reduced to the resource limit in the month received.
  
- | (MR) (b) If a suspended household experiences an unanticipated change resulting in an additional one month period of ineligibility, the CWD shall terminate the household at the end of the month of suspension. If the household reapplies in the month following termination and is prospectively determined to be eligible for benefits, the CWD shall approve the application. If ineligible in the month of reapplication due to retrospective budgeting, the CWD shall suspend the household for the month of reapplication and continue to retrospectively budget the household's income and deductions in the subsequent months.
  
- | (MR) .373 The CWD shall notify the household of the suspension as specified in Section 63-504.264, and supply the household with a CA 7 for the month of suspension.
  
- | (MR) .374 The household shall be required to submit the complete CA 7 by the normal due date. If the household fails to submit the CA 7 by the normal due date, the CWD shall notify the household as specified in Section 63-504.27.
  
- | (MR) .375 If the suspended household fails to submit a complete CA 7 for the month of suspension by the extended filing date, the CWD shall terminate the household's participation.
  
- | (MR) .376 Retrospective budgeting shall be used to calculate the household's benefit level in the month following suspension, if the household is eligible to participate in the Food Stamp Program.
  
- | (MR) .38 Issuance of Benefits
  - | (MR) .381 Timely Issuance

The CWD shall issue benefits by the household's regular issuance date, to an eligible household which has filed a complete CA 7 by 10 days before the end of the report month.
  
  - | (MR) .382 Delayed Issuance

If an eligible household fails to file a complete CA 7 after 10 days before the end of the report month, but files a complete CA 7 by the extended filing date, the CWD shall issue the household's benefits as soon as administratively feasible. However, if necessary the CWD may delay providing the household an opportunity to participate up to 10 days after its normal issuance date.

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Certain changes are initiated by the state or federal government which may affect the entire caseload or significant portions of the caseload. These changes include adjustments to the income eligibility standards, the shelter and dependent care deductions; the thrifty food plan and standard deduction; annual adjustments to the standard utility allowance; and other changes in the eligibility criteria based on legislative or regulatory actions.

**.391 Federal Adjustments to Eligibility Standards, Allotments, Deductions, and State Adjustments to the Standard Utility Allowance**

- (a) These adjustments shall go into effect for all households at a specific point in time. Adjustments to the thrifty food plan, the standard deduction, shelter and dependent care deductions, and the maximum income eligibility standards shall be implemented prospectively regardless of the household's budgeting method. Adjustments shall be effective for all issuances upon the effective dates, as specified in Handbook Section 63-1101.
- (b) A notice of action is not required for these mass changes. However, in that event, the CWD shall publicize these mass changes through the news media; posters in certification offices, issuance locations, or other sites frequented by certified households; or mass change notices mailed to households.
- (c) The CWD shall handle mass changes to General Assistance (GA) payments in the same manner as public assistance adjustments.

**.392 Mass Changes in Public Assistance**

- (a) When the CWD makes an overall adjustment to AFDC, RCA, ECA, or GA/GR payments, corresponding adjustments in household's food stamp benefits shall be handled as a mass change. When the CWD has at least 30 days' advance knowledge of the amount of the AFDC, RCA, ECA, or GA/GR adjustments, the CWD shall recompute food stamp benefits to be effective in the same month as the AFDC, RCA, ECA, or GA/GR changes. If the CWD does not have sufficient notice, the food stamp change shall be effective not later than the month following the month in which the AFDC, RCA, ECA, or GA/GR changes were made.
- (b) A notice of action is not required when a household's Food Stamp benefits are reduced or terminated as a result of a mass change in the CalWORKs, RCA, ECA, or GA/GR grants. However, the CWD shall send mass change notices to households to inform them of the change.

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Federal requirements for an adequate mass change notice are found at 7 CFR 273.12(e)(4)(i) and include the following information:

- (a) The general nature of the change;
- (b) General examples of the change's effect on households' allotments;
- (c) The month in which the change will take effect;
- (d) The household's right to a fair hearing;
- (e) The household's right to continue benefits and under what circumstances benefits will be continued pending a fair hearing;
- (f) General information on whom to contact for additional information, and
- (g) The liability households will incur for any overissued benefits, if the fair hearing decisions are adverse.

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4 Section 63-504.4(MR) shall become inoperative and Section 63-504.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Effecting Changes for Nonmonthly Reporting Households

(QR) Effecting Changes for Change Reporting Households

.41 Change Report Form (DFA 377.5)

The CWD shall provide a DFA 377.5 to all nonmonthly reporting households.

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- .411 At a minimum, a DFA 377.5 shall be provided:
  - (a) At the time of certification;
  - (b) At recertification, if the household needs a new form; and
  - (c) Whenever a DFA 377.5 is returned by the household.
  
- .412 The DFA 377.5 shall include a toll-free number or number where collect calls will be accepted for households living outside the local calling area.

.42 Section 63-504.42(MR) shall become inoperative and Section 63-504.42(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Action on Reported Changes for Prospectively Budgeted Households

(QR) Action on Reported Changes in Change Reporting Households

- .421 The CWD shall take prompt action on all reported changes to determine if the change affects the household's eligibility or allotment.
  - (a) The CWD shall document in the case file the date the change is reported by telephone or personal contact or the date the DFA 377.5 is received.
  - (b) The CWD shall notify the household of any change in their benefits as specified in Section 63-504.26, or shall advise the household of any additional verification required in order to effect the change. The CWD also shall send a new DFA 377.5.
  - (c) Changes reported during the certification period shall be subject to the same verification procedures as apply at initial certification, with the following exceptions.
    - (1) The CWD shall not verify income if the source is unchanged and the amount has changed by \$50 or less.

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(2) The CWD shall not verify medical expenses which are unchanged or have changed by \$25 or less. Also, changes in medical expenses obtained from a source other than the household shall not be acted on if, in order to take action, the CWD is required to contact the household for verification. The CWD shall only act on changes received from another source if they are verified upon receipt and do not necessitate contact with the household.

(3) The CWD shall not verify an unchanged legal obligation to pay child support to a nonhousehold member or a decrease in the amount of child support paid.

(d) The CWD shall verify changes to voluntarily reported medical expenses if the change is over \$25 and would increase the household's allotment. In the case of a reported change that would decrease the household's allotment, or make the household ineligible, the CWD shall act on the change without requiring verification, although verification which is required because the amount is over \$25 shall be obtained prior to the household's recertification.

(e) The CWD shall verify questionable information which is incomplete, inaccurate, inconsistent or outdated.

.422 Increase in Benefits

Restoration of lost benefits shall be provided to a household if the CWD fails to take action within the following time frames on a change which increases benefits.

(a) For changes which result in an increase in a household's allotment, other than those specified in Section 63-504.422(b), the CWD shall make the change effective no later than the first allotment issued 10 days after the date the change was reported to the CWD.

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- (b) For changes which result in an increase in a household's benefits due to the addition of a new household member who is not a member of another certified household, or due to a decrease of \$50 or more in the household's gross monthly income, the CWD shall make the change effective not later than the month following the month in which the change is reported. If the change is reported after the 20th day of a month and it is too late for the CWD to adjust the following month's allotment, the CWD shall issue a supplementary authorization document or otherwise provide an opportunity for the household to obtain the increase in benefits by the 10th day of the following month, or the household's normal issuance cycle in that month, whichever is later.
- (c) Changes which result in an increase in the household's benefits shall be verified, as specified in Sections 63-300.5 and 63-504.325(a), prior to taking action on these changes. The household shall be allowed 10 days from the date the change is reported to provide the required verification.
- (1) If the household provides verification within the 10 days, the CWD shall take action on the changes within the time frames specified in Sections 63-504.422(a) and (b). These time frames shall run from the date the change was reported.
- (2) If the household fails to provide the required verification within 10 days after the change is reported, but provides the verification at a later date, the time frames specified in Sections 63-504.422(a) and (b), shall run from the date verification is provided.
- (3) In cases where the CWD has determined that a household has refused to cooperate, as specified in Section 63-505.1, the CWD shall terminate the household's participation following the issuance of a timely notice of action.

**.423 Decrease in Benefits**

If the household's benefits decrease or the household becomes ineligible as a result of the change, the CWD shall issue a timely notice of action within 10 days of the date the change was reported. The decrease in benefits shall be made effective not later than the issuance date for the month following the month in which the timely notice period expires, provided a state hearing and continuation of benefits have not been requested.

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.43 Section 63-504.43(MR) shall become inoperative and Section 63-504.43(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Nonmonthly Reporting Households Receiving PA Benefits

(QR) Change Reporting Households Receiving PA Benefits

.431 PA households which report a change in circumstances to the CWD shall be considered to have reported the change for food stamp purposes.

.432 Section 63-504.432 et seq.(MR) shall become inoperative and Section 63-504.432 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall use the CA 7 as the Food Stamp report form for PA households. The CWD shall ensure that the following requirements are met for PA households not subject to food stamp monthly reporting:

- (a) These households shall not have their eligibility terminated or allotments changed merely because they fail to submit one or more of the system's regular reports. If a household's PA benefits are terminated due to the household's failure to submit a timely or complete CA 7, the CWD shall follow the procedures set forth in Section 63-504.435.
- (b) These households shall be considered to have timely reported changes if the CA 7 is submitted within the time frames for submitting a timely CA 7 or the change was reported within 10 days of the date the change became known to the household, whichever is later.
- (c) The CWD shall not restrict these households to reporting changes only on the CA 7. These households shall be allowed to report changes on the CA 7, in person or by telephone.
- (d) The CWD shall act on all changes reported on the CA 7, in accordance with the processing standards in Section 63-504.42. The CWD shall ensure that adjustments are made in a household's eligibility or allotment only for those months in which the reported change is anticipated to remain in effect.



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(QR) The CWD shall use the QR 7 as the food stamp report form for PA households. The CWD shall ensure that the following requirements are met for PA households not subject to food stamp QR:

(a) These households shall not have their eligibility terminated or allotments changed merely because they fail to submit one or more of the system's regular reports. If a household's PA benefits are terminated due to the household's failure to submit a timely or complete QR 7, the CWD shall follow the procedures set forth in Section 63-504.435.

(b) These households shall be considered to have timely reported changes if the QR 7 is submitted within the time frames for submitting a timely QR 7 or the change was reported within 10 days of the date the change became known to the household, whichever is later.

(c) The CWD shall not restrict these households to reporting changes only on the QR 7. These households shall be allowed to report changes on the QR 3 or QR 377.5, in person or by telephone.

(d) The CWD shall act on all changes reported on the QR 7, in accordance with the processing standards in Section 63-504.42. The CWD shall insure that adjustments are made in a household's eligibility or allotment only for those months in which the reported change is anticipated to remain in effect.

.433 These households shall be sent a notice of action whenever their benefits are changed as a result of changes in the PA benefits. If the PA benefits are terminated, but the household is still eligible for food stamp benefits, members of the household shall be advised of food stamp work registration requirements, if applicable, as their PA work registration exemption no longer applies.

.434 Whenever a change results in the reduction or termination of a household's PA benefits within their Food Stamp certification period, and the CWD has sufficient information to determine how the change affects the household's Food Stamp eligibility and benefit level, the CWD shall take the following action:

(a) If a change in household circumstances requires both a reduction or termination in PA benefits and a reduction or termination in Food Stamp benefits, the CWD shall provide the household with a timely notice of action at the same time that it provides the household with the appropriate PA notice of action.

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- (1) If the household requests a state hearing and continuation of benefits by the effective date of the action, the household's Food Stamp benefits shall be continued as specified in Section 63-804.6.
  - (2) If the household does not request a state hearing the change shall be made effective as specified in Section 63-504.42.
- (b) If a household's Food Stamp benefits will be increased as a result of the reduction or termination of PA benefits, the CWD shall issue the appropriate PA notice of action, but shall not take any action to increase the household's Food Stamp benefits until the household decides whether it will appeal the PA adverse action.
- (1) If the household requests a state hearing and continuation of their PA benefits, the household's Food Stamp benefits shall continue at the same level until the end of the household's certification period or until a hearing decision upholds the CWD action to reduce or terminate PA benefits, whichever occurs first.
  - (2) If the household does not appeal, the CWD shall make the change effective as specified in Section 63-504.421, except that the time limits for the CWD to act on changes which increase a household's benefits shall be calculated from the date the timely PA notice period expires.
- .435 Whenever a change results in the termination of a household's PA benefits within their Food Stamp certification period, and the CWD does not have sufficient information to determine how the change affects the household's Food Stamp eligibility and benefit level, the CWD shall take the following action:
- (a) When a PA notice of action has been sent the CWD shall wait until the household's timely notice period expires or until the household requests a state hearing, whichever occurs first. If the household requests a state hearing and its PA benefits are continued pending the hearing, the household's food stamp benefits shall be continued at the previous level.
  - (b) If a PA notice of adverse action is not required, or the household decides not to request a state hearing and continuation of its PA benefits, the CWD shall shorten the household's certification period, in accordance with Section 63-504.14.

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.44 Failure to Report

If the CWD discovers that the household failed to report a change as specified in Section 63-505.5 and, as a result, received benefits to which it was not entitled, the CWD shall file a claim against the household.

.441 A household shall not be held liable for a claim because of a change in household circumstances which it is not required to report.

.442 Individuals shall not be disqualified for failing to report a change unless they are disqualified for an intentional Program violation as specified in Section 63-805.

.45 Mass Changes

Mass changes, as defined in Section 63-504.391 for nonmonthly reporting households shall be processed in accordance with Sections 63-504.391(a) and (b).

.46 Social Security Benefit Cost-of-Living Adjustments (COLAs)

The CWD shall automatically adjust the household's food stamp benefits to reflect the Social Security COLA. Any changes shall be made no later than the second allotment issued after the effective date of the Social Security benefit payment change.

.461 CWDs with a computer system that can identify households receiving Title II Social Security benefits and extract the new Social Security benefit payment amount shall effect these changes in accordance with Section 63-504.46.

.462 CWDs lacking this computer capability shall use one or a combination of the following methods to make this change in accordance with Section 63-504.46:

(a) Recertification Process

All new food stamp households which contain at least one member who receives Social Security benefits shall, on a one-time basis, be assigned a certification period that will expire no later than the second month following the effective date of the Social Security change. The recertification process time standards and notices to households shall be in accordance with Sections 63-504.25 and 63-504.61.

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(b) Desk Reviews

Identify all food stamp households receiving Social Security benefit payments through desk reviews.

(1) CWDs shall compute the new Social Security benefit amount by using the Social Security percentage adjustment factor provided by CDSS.

(A) Overissuances caused by CWD error in applying the Social Security Administration (SSA) adjustment factor cannot be attributed to the household. For underissuances, restoration of lost benefits is mandated in Section 63-802.1.

.5 Sections 63-504.5 through .512(MR) shall become inoperative and Sections 63-504.5 through .512(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Procedures for Households Changing Their Reporting and Budgeting Status

.51 Households which become subject to monthly reporting/retrospective budgeting

The CWD shall change the reporting/budgeting status of households which become subject to monthly reporting at any time following the change in household circumstances which results in a change in the household's monthly reporting/retrospective budgeting status subject to the following conditions:

.511 The CWD shall provide the household with information as specified in Section 63-300.41. If the CWD implements the change during the certification period, it may omit the oral explanations for monthly reporting/retrospective budgeting.

.512 The CWD shall not require the household to submit a CA 7 during any month in which the household was subject to nonmonthly reporting requirements.

(QR) Procedures for Households Changing Their Reporting Status

.51 Households which become subject to QR/PB

The CWD shall change the status of households which become subject to QR/PB beginning with the first month following the change in household circumstances which results in a change in the household's QR/PB status. The following conditions shall apply:

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- .511 The CWD shall provide the household with information as specified in Section 63-300.41. If the CWD implements the change during the certification period, it may omit the verbal explanations for QR/PB.
- .512 The CWD shall not require the household to submit a QR 7 any month in which the household was subject to change reporting requirements.
- .52 Section 63-504.52(MR) shall become inoperative and Section 63-504.52(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Households which are no longer subject to monthly reporting/retrospective budgeting
- (MR) The CWD shall use the following procedures to remove households from the monthly reporting/retrospective budgeting system.
- (QR) The CWD shall use the following procedures to remove households from the QR/PB budgeting system.
- .521 Section 63-504.521(MR) shall become inoperative and Section 63-504.521(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) For any household which becomes exempt from the monthly reporting/retrospective budgeting system as specified in Section 63-505.21, the CWD shall notify the household within 10 days of the date the CWD becomes aware of the change that:
- (a) The household has become exempt from monthly reporting and is no longer required to file any future CA 7s. This does not apply to households in which one or more household members are in receipt of cash aid from programs such as AFDC, GA/GR, RCA or ECA which do require a monthly report.
  - (b) The household has also become exempt from retrospective budgeting, and when
  - (c) The change in budgeting will go into effect.
- (QR) For any household which becomes exempt from the QR/PB budgeting system as specified in Section 63-505.21, the CWD shall notify the household within 10 days of the date the CWD becomes aware of the change that:

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(a) The household has become exempt from QR and is no longer required to file any future QR 7s. This does not apply to households in which one or more household members are in receipt of cash aid from programs such as CalWORKs, CA/GR, RCA or ECA which do require a quarterly report.

(b) The change in budgeting will go into effect.

.522 Section 63-504.522(MR) shall become inoperative and Section 63-504.522(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall begin determining the household's benefits prospectively in the first month that the household is no longer required to file a CA 7.

(QR) The CWD shall begin determining the household's benefits using change reporting rules the first month following the status change from QR to change reporting.

.6 Recertification of All Households

.61 General Requirements

(a) The CWD shall complete the application process and approve or deny a timely application for recertification prior to the end of the household's current certification period and shall provide an eligible household with an opportunity to participate by the household's normal issuance cycle in the month following the expiration of the household's certification period. Entitlement to expedited service for households submitting applications for recertification shall be determined in accordance with Section 63-301.51. The CWD shall not continue benefits beyond the end of the certification period unless the household has been recertified.

(1) The joint processing requirements in Section 63-301.6 for PA and PA categorically eligible households shall also apply to applications for recertification.

(2) If the PA redetermination is not timely completed for categorically eligible households, the food stamp recertification shall not be delayed and must be completed in accordance with Section 63-504.6. PA Categorical eligibility shall be assumed.

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(Continued)

- (A) The provisions of Section 63-301.7, for certain eligibility factors, verification provisions, and the benefit determination continue to apply to categorically eligible households at recertification.
- (B) If the recertified household is subsequently terminated from PA benefits, the CWD shall follow the procedures specified in Sections 63-503 and 504.123(b).
  
- (b) All households shall be provided notice of the impending expiration of their certification period as specified in Section 63-504.251. The CWD also shall provide the household with an application, which may be sent with the notice, including an appointment date for an interview. Or, the application and appointment date may be mailed or given to the household separately.

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To expedite the recertification process, CWDs are encouraged to send a recertification form, an interview appointment letter that allows for either an in-person or telephone interview and a statement of verification needed with the Notice of Expiration.

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- (c) Timely Application for Recertification
  - (1) Section 63-504.61(c)(1)(MR) shall become inoperative and Section 63-504.61(c)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
  - (MR) Monthly reporting households which file a complete CA 7 on or before the 11<sup>th</sup> of the last month of the certification period, and an application no later than the recertification interview shall be considered to have made a timely application for recertification.
  - (QR) QR households which file a complete QR 7 on or before the 11<sup>th</sup> of the last month of the certification period, and an application no later than the recertification interview shall be considered to have made a timely application for recertification.

**63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504**  
(Continued)

- (2) Section 63-504.61(c)(2)(MR) shall become inoperative and Section 63-504.61(c)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) All nonmonthly reporting households, except those provided a notice of action informing them of the expiration of their certification period at the time of certification, who file applications by the 15th day of the last month of the certification period shall be considered to have made a timely application for recertification.
- (QR) If the certification period ends in the QR Submit Month, all change reporting households, except those provided a notice of action informing them of the expiration of their certification period at the time of certification, who file applications by the 15<sup>th</sup> day of the last month of the certification period shall be considered to have made a timely application for recertification.
- (3) Section 63-504.61(c)(3)(MR) shall become inoperative and Section 63-504.61(c)(3)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Nonmonthly reporting households provided a notice of action informing them of the expiration of their certification period at the time of certification shall have 15 days from the date the notice is received to file a timely application for recertification.
- (QR) Change reporting households provided a notice of action informing them of the expiration of their certification period at the time of certification shall have 15 days from the date the notice is received to file a timely application for recertification.
- (A) To determine if adequate time has been permitted, the CWD shall use the date on the notice of action, plus two days for mailing time.
- (B) In cases of dispute, if the household can demonstrate that the notice of action was not received in a timely manner and otherwise submits their application within 15 days after receiving the notice, the CWD shall consider the household to have made a timely application for recertification.
- (d) Any household receiving a notice of action informing them of the expiration of their certification period shall attend any interview scheduled by the CWD on or after the date the application is timely filed in order to retain their right to uninterrupted benefits.

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- (1) The CWD may schedule the interview prior to the date the application is timely filed provided the household is not denied at that time for failing to participate in the interview.
  - (2) The CWD shall schedule the interview on or after the date the application was timely filed if the interview has not been previously scheduled, or the household has failed to participate in any interviews scheduled prior to this time and has requested another interview.
  - (3) If the household does not participate in any interview scheduled in accordance with this section or attempted to reschedule another appointment, the CWD need not initiate any further action.
- (e) Delayed Processing
- (1) If a household's application for recertification is delayed beyond the first of the month of what would have been its new certification period through the fault of the CWD, the household's benefits for the new certification period shall be prorated based on the date of the new application, and the CWD shall provide restored benefits to the household back to the date the household's certification period should have begun had the CWD not erred and the household been able to apply timely.
  - (2) When a household's eligibility is not determined by the end of its current certification period due to the time period allowed for submitting any missing verification, the household shall receive an opportunity to participate, if eligible, within five working days after the household submits the missing verification and benefits shall not be prorated.

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Example: A household completed the interview and application process before the end of its current certification period in April. However, verification still must be provided within 10 days of the completed application process. The 10-day period for submitting verification extends into the month following the current certification period, or on May 5th. The household submits the verification on May 4th within the allowable 10-day period. The CWD must provide a full month of benefits for May and by the 9th day in May due to the five-day limit for providing an opportunity for the household to participate in the program.

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**63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504**  
(Continued)

- (f) Repealed by Manual Letter No. FS-87-05, effective 7/1/87.
- (g) CWD Action on Timely Applications for Recertification

The CWD shall provide uninterrupted benefits to any household determined eligible after the household timely files an application and participates in an interview. The CWD shall provide uninterrupted benefits within the time standards listed below even if, to meet these standards, the CWD must provide an opportunity to participate outside the normal issuance system.

- (1) Households provided a notice of action informing them of the expiration of their certification period at the time of certification and that have timely reapplied shall be notified of their eligibility or ineligibility and provided an opportunity to participate, if eligible, not later than 30 days after the date of their last opportunity to participate.
- (2) For all other households that have met all required application procedures, the CWD shall approve or deny the application and notify the household of its determination by the end of the current certification period. For households determined eligible, the CWD shall provide an opportunity to participate by the household's normal issuance cycle in the month following the end of their current certification period.
- (3) If an eligible household files an application before the end of the certification period but the recertification process cannot be completed within 30 days after the date of application because of CWD fault, the CWD must continue to process the case and provide a full month's allotment for the first month of the new certification period.

- (h) Failure to Submit a Timely Application for Recertification

Households who file an application for recertification after the dates specified in Section 63-504.613, but by the end of the certification period, shall be considered to have made an untimely application for recertification.

- (i) CWD Action on Untimely Applications for Recertification

- (1) Any household shall lose their right to uninterrupted benefits if they fail:

- (A) To submit a timely application for recertification unless the household is entitled to expedited service and the application is filed at least three days prior to the next normal issuance date in the new certification period; or
- (B) To participate in an interview.

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- (2) Households making an untimely application for recertification shall not be denied at that time, unless they refuse to cooperate, or the certification period has lapsed and the CWD chooses to make denials at that time. If the household is otherwise eligible after correcting such failures, the CWD shall, at a minimum, provide benefits no later than 30 days after the date the application was filed.
- (3) Denials for untimely applications for recertification including those for failure to complete the interview timely, shall be completed either by the end of the current certification period or within 30 days after the date the application was filed as long as the household has had adequate time for providing the missing verification.
- (4) Any applications not submitted in a timely manner shall be treated as an application for initial certification. For nonmonthly reporting households who submit applications within 30 days after the certification period expires, previously verified income need not be verified if the source has not changed and the amount has not changed by more than \$25.

(j) CWD Failure to Act

CWD failure to provide eligible households which filed a timely application for recertification and met all processing steps in a timely manner with an opportunity to participate as specified in Section 63-504.616, shall be considered an administrative error. These households shall be entitled to restoration of lost benefits if, as a result of such error, the household was unable to participate for the month following the expiration of the certification period.

.62 Section 63-504.62(MR) shall become inoperative and Section 63-504.62(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) CWD Action on Timely Reapplications By Monthly Reporting Households

(QR) CWD Action on Timely Reapplications by Quarerly Reporting Households

.621 Section 63-504.621(MR) shall become inoperative and Section 63-504.621(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

**63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504**  
(Continued)

- (MR) The CA 7 shall be mailed to the household at the normal mailing time or along with the notice of action informing them of the expiration of their certification period. Return of both the CA 7 and the application is required to complete the recertification.
- (a) The CA 7 shall be submitted and completed as specified in Section 63-504.3.
  - (b) The application form shall be submitted to the CWD no later than the time of the interview.
  - (c) If the household has not previously filed a complete CA 7, the household may submit it at the interview. In no event shall the reapplication be considered timely if a complete CA 7 is submitted after the 11th of the last month of the certification period.
- (QR) If the certification period ends in the QR Submit Month, the QR 7 shall be mailed to the household at the normal mailing time or along with the notice of action informing them of the expiration of their certification period. Return of both the QR 7 and the application is required to complete the recertification.
- (a) The QR 7 shall be submitted and completed as specified in Section 63-508.66.
  - (b) The application form shall be submitted to the CWD no later than the time of the interview.
  - (c) If the household has not previously filed a complete QR 7, the household may submit it at the interview. In no event shall the reapplication be considered timely if a complete QR 7 is submitted after the 11<sup>th</sup> of the last month of the certification period.
- .622 Section 63-504.622(MR) shall become inoperative and Section 63-504.622(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The CWD shall: 1) recertify the household using information on the CA 7 for the corresponding budget month to determine the household's benefit level for the first month of the new certification period; 2) delay reflecting information from the recertification interview affecting the household's benefit level until the second month of the new certification period if necessary to continue retrospective budgeting; and 3) continue to determine the household's prospective eligibility in accordance with Section 63-503.231.

**63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504**  
(Continued)

- (QR) When certification falls in the same month as the QR Submit Month, the CWD shall: 1) recertify the household using information on the QR 7 for the corresponding Data Month and information received during the certification interview to determine the household's benefit level for the first Payment Quarter of the new certification period and, 2) continue to determine the household's prospective eligibility. If the CWD establishes a certification of benefits other than in the Submit Month, the CWD must take action mid-quarter based on information received during the certification to discontinue, increase or decrease benefits, regardless of QR rules.
- .623 PA and PA categorically eligible households that are jointly processed as specified in Section 63-301.6 shall, to the extent possible, be recertified for Food Stamps at the same time that their PA eligibility is redetermined.
- (a) These households may be recertified in the month prior to the last month of the certification period in conjunction with the PA redetermination. The new certification period shall begin with the last month of the old certification period.
- (b) If the recertification is not completed in the month prior to the last month of the certification period, the application shall be held pending and the household provided a notice of action informing them of the expiration of their certification period. The recertification shall be completed during the last month of the certification period.
- .624 Section 63-504.624(MR) shall become inoperative and Section 63-504.624(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Households that receive a notice of action informing them of the expiration of their certification period shall be subject to the verification requirements specified in Section 63-504.3 for information provided on the CA 7. These households shall not be subject to the other CA 7 processing provisions specified in Section 63-504.3 in the last month of the certification period. The recertification provisions specified in Section 63-504.6 are in effect in this month.
- (QR) Households that receive a notice of action informing them of the expiration of their certification period shall be subject to the verification requirements specified in Section 63-504.6 for information provided on the QR 7.

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- (a) PA households whose recertifications are completed in the month prior to the last month of the certification period shall be subject to all provisions of Section 63-504.3 in that month, except that they shall be provided a notice of action informing them of the approval or denial of their reapplication, instead of a notice as specified in Section 63-504.26.
- (b) All changes reported on the application shall be subject to the same verification procedures as apply at initial certification, including categorically eligible households, as specified in Sections 63-301.71, .72, and .82.

.63 Section 63-504.63(MR) shall become inoperative and Section 63-504.63(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Process for Recertifying Nonmonthly Reporting Households

(QR) Process for Recertifying Change Reporting Households

.631 The following verification requirements shall apply at recertification:

- (a) The CWD shall verify: A change in income if the source has changed or the amount has changed by more than \$25; previously unreported medical expenses and total recurring medical expenses which have changed by more than \$25; a change in the legal obligation to pay child support or an increase in the amount of child support paid.
- (b) The CWD shall not verify the following: income if the source is unchanged and the amount has changed by \$25 or less; changes of \$25 or less in total medical expenses or decreases in the amount of child support paid. However, any questionable information related to the above expenses which is incomplete, inaccurate, inconsistent, or outdated shall be verified.

.7 Identification (ID) Cards

.71 The CWD shall issue an ID card to each certified household as proof of eligibility. The ID card may be serially numbered at the CWD's option, except as provided in Section 63-504.84. ID cards shall be issued in the name of the household member who is authorized to receive the household's issuance. Any person listed on the ID card shall sign the ID card prior to using it.

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- .711 If the household does not name an authorized representative, the CWD shall void that area of the ID card to prevent names and signatures from being entered at a later date.
- .712 The CWD shall place an expiration date on those ID cards issued to households that have been certified for delivered meals for a temporary period or any other temporary ID cards issued by the CWD.
- .72 Specially Marked ID Cards
  - .721 Any household eligible for and interested in using delivered meal services shall receive an ID card marked with the letter "M".
  - .722 Any household eligible for and interested in using communal dining facilities shall receive an ID card marked with the letters "CD".
  - .723 Any household eligible to participate in the restaurant meal program shall receive an ID card with the person's name, case number, expiration date and signature.

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- (a) EBT counties are not to place stickers on EBT cards that could damage ATM/POS devices. A separate ID card will be used in conjunction with the EBT card.

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.73 Mailing ID Cards

ID cards delivered to a household by mail shall not be mailed in the same envelope with an authorization document, access device, or coupons.

.74 Issuance/Replacement of ID Cards

The CWD shall limit issuance of ID cards to the time of initial certification, with replacements made only in instances of loss, mutilation, destruction, changes in persons authorized to obtain or use coupons, or when the ID card format or system changes. Whenever possible, the CWD shall collect the ID card being replaced.

**63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504**  
(Continued)

.8 Photo ID Cards/Systems

.81 Mandatory Photo ID Cards

- .811 The use of photo ID cards is mandated in any county or portion thereof with 100,000 or more food stamp recipients.
- .812 In addition, FNS may designate at any time a county or portion thereof with less than 100,000 recipients, as requiring the use of photo ID cards, if determined that the institution of photo ID cards will be justified.
- .813 Any CWD that becomes subject to the photo ID card requirement shall come into full compliance no later than the first of the month that occurs 12 months after FNS notifies SDSS that the area is subject to the requirement.
- .814 Any CWD may request that FNS mandate photo ID cards throughout its entire county by contacting SDSS.

.82 Exemption from a Photo ID System

In counties mandated to use photo ID cards the CWD may apply for an exemption from photo ID cards from FNS through SDSS if:

- .821 The CWD is serviced entirely by mail issuance.
- .822 The CWD serves between 100,000 and 110,000 recipients and within 30 days of the notice of intent to require photo ID cards the CWD demonstrates to FNS through SDSS that participation in the county has fallen below the 100,000 recipient level in the recent past or justifies why participation is likely to fall below 100,000 during the next year.

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.83 Photo ID Approvals

All photo ID card systems shall be subject to FNS approval through SDSS.

.84 Requirements of Photo ID Cards

.841 In counties mandated to use photo ID cards, the CWD shall issue photo ID cards containing at a minimum the requirements of Section 63-504.7 and the following:

- (a) A color photograph of the person who will obtain the household's coupons,
- (b) A serialized number,
- (c) A laminated signature of the person pictured on the card, and,
- (d) The household's case number.

.842 A photo ID card used to receive benefits under a welfare or public assistance program may be adapted for Food Stamp Program purposes if it meets the requirements of these regulations and can be annotated to indicate Food Stamp eligibility.

.85 Use of Photo ID Cards

Only the person photographed on the photo ID card may obtain the household's coupons. A household subject to the mandatory photo ID card requirement shall not participate until a household member or a designated authorized representative is issued a photo ID card.

.86 Issuance of Photo ID Cards

.861 The CWD shall provide households with reasonable access to photographing locations for food stamp photo ID cards.

.862 Photo ID card or an ID card annotated to indicate that the card is valid without a photograph shall be provided by the CWD at no charge to the household.

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- .863 The CWD shall replace photo ID cards when a new card is needed to update the photograph and as specified in Sections 63-604.74 and 63-602.521.
- .864 New photo ID cards shall also be issued when a household member becomes 60 years of age and wants a card coded "CD" for communal dining or when a resident leaves a drug or alcoholic treatment center and is no longer exempt from photo ID.
- .865 Whenever possible, the CWD shall collect photo ID cards when making a replacement.

.87 Households Eligible for Exemptions from Photographs

The CWD shall issue photo ID cards which meet the specifications in Section 63-504.84, but are annotated to indicate that the card is valid without a photograph when any of the following conditions exist:

- .871 The household member is a resident of a drug addict or alcoholic treatment center.
- .872 The household's religion does not allow its members to be photographed. The CWD shall require such a household to provide a signed statement to the effect that their religious beliefs do not allow them to be photographed.
- .873 The household is certified by an out of office interview, as specified in Section 63-300.4. However, the CWD should attempt to replace the nonphoto ID card with a photo ID card when the household member or authorized representative is in the office for any reason. The CWD shall not require the household member to make a special trip into the office solely for the purpose of issuing a photo ID card.
- .874 The household is entitled to expedited service, and the photo ID card system is incapable of producing a photo ID card in time for the household to participate, as specified in Section 63-301.5. An expiration date shall be placed on those nonphoto ID cards that are issued to households eligible for expedited services. A photo ID card shall be obtained prior to issuance of the household's next allotment.

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.88 Photo ID Card Waivers

- .881 One or more of the minimum photo ID requirements in Section 63-504.84 may be waived for any CWD that can demonstrate that its alternate ID card or system will provide adequate safeguards against fraudulent and duplicate issuances.
- .882 In counties where photo ID cards are mandated, and a waiver is desired, the CWD shall request a waiver from FNS through SDSS. Decisions on the granting of waivers will be made on a case-by-case basis.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11265.1, .2, and .3, 11369, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18901.6, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(8)(i); (f) (8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (f)(8)(ii), (h), and (h)(1)(i)(D), 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.9(d)(6)(iii)(F), 7 CFR 273.10(d)(4), (f), (g)(1)(i) and (ii); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), and (a)(1)(i)(C)(2); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.12(e)(1), (e)(2), and (e)(4); 7 CFR 273.13(a)(2); 7 CFR 273.13(b)(1); 7 CFR 273.14; 7 CFR 273.14(b)(3) and (e); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii), (j)(3)(ii), (j)(3)(iii)(B), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; Public Law (P.L.) 100-435, Section 351, P.L. 101-624, and P.L. 103-66; Section 1717, [7 U.S.C. 2014(e)]; 7 U.S.C. 2014(d)(7), and (e)(6)(C)(iii), 2017(c)(2)(B) and 2020(s); U.S.D.A. Food and Consumer Services, Administrative Notices 94-39 and 97-50; P.L. 104-193, Sections 801, 807 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; Federal Administrative Notice 97-99, dated August 12, 1997; United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) Administrative Notice (AN) 03-23, dated May 1, 2003; USDA, FNS Waiver #2070014; and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171).

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**63-505 HOUSEHOLD RESPONSIBILITIES 63-505**

.1 Household Cooperation

.11 To determine eligibility the household or its authorized representative must:

.111 Complete and sign the application form:

.112 Be interviewed;

.113 Verify certain information on the application; and

.114 Obtain a photo ID card in counties where photo ID cards are mandated as a condition of participation, unless exempt under Section 63-504.87.

(a) If a designated authorized representative does not comply, the household may designate a household member or another authorized representative to be photographed.

.12 Refusal to Cooperate with the CWD

.121 If the household, including excluded household members identified in Section 63-402.22, refuses to cooperate with the CWD in completing this process, the application shall be denied at the time of refusal.

(a) For a determination that household refusal has occurred, the household must have been able to cooperate, and clearly demonstrated that it chose not to take such actions as are required to complete the application process.

(b) If there is any question as to whether the household has merely failed to cooperate, as opposed to refused to cooperate, the household shall not be denied.

.122 Refusal to disclose a Social Security Number (SSN) is an exception to the denial of the entire household. When an individual is required to give his/her SSN and has refused to comply, the eligibility of the other household members will not be affected (see Section 63-404).

.123 The household shall also be determined ineligible if it refuses to cooperate in any subsequent review of its eligibility, including reviews generated by reported changes, recertifications, or as part of a quality control review.

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.124 Once denied or terminated for refusal to cooperate, the household may reapply but shall not be determined eligible until the household cooperates.

.13 Refusal to Cooperate with a Quality Control (QC) Reviewer

.131 Once denied or terminated for refusal to cooperate, the household may reapply but shall not be determined eligible until:

(a) The household cooperates; or

(b) The household reapplies at least 95 days after the end of the annual review period in which the refusal to cooperate with a nonfederal QC reviewer occurred; or

(c) The household reapplies after seven months from the end of the annual review period in which the refusal to cooperate with a federal QC reviewer occurred.

.132 These households shall provide verification of all eligibility requirements, including items that would normally only be verified if questionable, as specified in Section 63-300.53.

.14 Refusal to Cooperate with the Statewide Fingerprint Imaging System (SFIS) Requirement

Eligible household members who are not exempt per Sections 63-601.12 through .123 and Section 63-601.14 shall be required to fulfill SFIS requirements prior to the issuance of food stamp benefits to that household, even if the household is eligible for benefits. The SFIS requirements, exemptions, and postponements are explained in Sections 63-601.12 through .123, Section 63-601.13, and Section 63-601.14.

.141 If a household member is under the age of 18 and is applying for Food Stamp benefits as a separate household, he/she must comply with the SFIS requirements in order to receive Food Stamp benefits, unless otherwise exempt.

.2 Section 63-505.2(MR) shall become inoperative and Section 63-505.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly Reporting/Retrospective Budgeting Households

All households participating in the Food Stamp Program except as provided in Section 63-505.21, shall report household circumstances monthly on the CA 7 as a condition of eligibility. Households shall not be required to submit any reports of changes other than the CA 7.

**63-505 HOUSEHOLD RESPONSIBILITIES (Continued)****63-505****(QR) Quarterly Reporting/Prospective Budgeting Households**

All households participating in the Food Stamp Program except as provided in Section 63-505.21, shall report household circumstances quarterly on the QR 7 as a condition of eligibility. QR households will also be required to report changes as specified in Sections 63-508 and 63-509.

- .21 Section 63-505.21(MR) shall become inoperative and Section 63-505.21(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The following households shall be excluded from monthly reporting and retrospective budgeting. See Section 63-504.43 for those households receiving PA.

(QR) The following households shall be excluded from QR. See Section 63-504.43.

- .211 Migrant farmworker households, as defined in Section 63-102(m).
- .212 Seasonal farmworker households, as defined in Section 63-102s.
- .213 Households in which all adult members are elderly or disabled, as defined in Section 63-102(e), and have no earned income.
- .214 Households in which all members are homeless individuals, as defined in Section 63-102(h)(1).
- .215 Households residing on Indian reservations.

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**HANDBOOK BEGINS HERE**

Public Law 103-11 enacted April 1, 1993 has delayed the implementation date for Section 63-505.215 to January 31, 1994.

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**HANDBOOK ENDS HERE**

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.22 Repealed by SDSS Manual Letter No. FS-89-07, effective 11/1/89.

- .3 Sections 63-505.3 through .34(MR) shall become inoperative and Sections 63-505.3 through .34(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

**63-505 HOUSEHOLD RESPONSIBILITIES (Continued) 63-505**

(MR) Reported Information for Monthly Reporting Households

Households shall report on a monthly basis, the following information about the household:

- .31 Budget month income, except as specified in Section 63-505.311, shelter and utility costs when there is a move, child care costs, the amount of child support payments made to a nonhousehold member as specified in Section 63-502.37, household composition, and other circumstances relevant to the amount of the food stamp allotment. This information shall be reported on the CA 7.
  - .311 Households need not report the receipt or amount of any PA, FC, GA, RCA, ECA payments paid by the CWD from which the household is receiving food stamp benefits.
- .32 Any changes in income, shelter and utility costs when there is a move, child care costs, a change in the legal obligation to pay child support payments to a nonhousehold member, resources or other relevant circumstances affecting eligibility which the household expects to occur in the current month or in future months, or which occurred in the budget month.
- .33 For food stamp purposes, households need not provide PA only information requested on the CA 7.
- .34 A reduction of work effort to less than 20 hours per week, or averaged monthly 80 hours a month, for purposes of determining whether an ABAWD has satisfied the work requirement defined in Section 63-410.2.

(QR) Reported Information for QR Households

Households shall report on a quarterly basis, the following information about the household.

- .31 Data Month income, except as specified in Section 63-505.311, shelter and utility costs when there is a change of address, dependent care costs, the amount of child support payments made to a nonhousehold member as specified in Section 63-502.37, household composition, anticipated income and expense changes for the upcoming QR Payment Quarter and other relevant information required for a complete QR 7.
  - .311 Households need not report the receipt or amount of any PA, FC, GA, RCA, or ECA payments paid by the CWD from which the household is receiving food stamp benefits.

<b>63-505</b>	<b>HOUSEHOLD RESPONSIBILITIES (Continued)</b>	<b>63-505</b>
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- .32 Any changes as asked for on the QR 7 since the last Data Month and any expected over the next three months.
  - .33 For food stamp purposes, households need not provide PA only information requested on the Quarterly Report (QR 7).
  - .34 A reduction in hours worked to less than 20 hours per week, or 80 hours averaged monthly, for purposes of determining whether an ABAWD has satisfied the work requirement defined in Section 63-410.
- .4 Section 63-505.4(MR) shall become inoperative and Section 63-505.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Verification Responsibilities for Monthly Reporting Households

(QR) Verification Responsibilities for Quarterly Reporting Households

- .41 Section 63-505.41(MR) shall become inoperative and Section 63-505.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD may request verification be submitted for any item that has changed or appears questionable. Monthly reporting households shall provide verification of the following information reported on the CA 7:

(QR) The CWD may request verification be submitted for any item that has changed or appears questionable. QR households shall provide verification of the following information reported on the QR 7:

- (a) Gross nonexcluded earned income each month; nonexcluded unearned income and the source of excluded income when first reported and when there is a change, except as specified in Sections 63-505.311 and 63-504.325(a).
- (b) Dependent care costs when there is a change in the source or amount and when there is questionable information which is inaccurate, incomplete, outdated or inconsistent.

**63-505 HOUSEHOLD RESPONSIBILITIES (Continued) 63-505**

- (c) If the household voluntarily reports a change in its medical expenses, the CWD shall verify the change as specified in Section 63-504.421 before acting on it if the change increases the household's allotment. In the case of a reported change that decreases the household's allotment, or makes the household ineligible, the CWD shall act on the change without requiring verification, although verification which is required as specified in Section 63-504.421 shall be obtained prior to the household's recertification.
- (d) Utility costs which entitle the household to the standard utility allowance (SUA), when first allowed and when the household moves.
- (e) Residency as defined in Section 63-401 when there is a change, except for categorically eligible households.
- (f) Social Security Number, except for PA categorically eligible households;
- (g) Section 63-505.41(h)(MR) shall become inoperative and Section 63-505.41(h)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Actual cost of doing business expenses, if self-employed, with each CA 7.
- (QR) Actual cost of doing business expenses, if self employed, with each QR 7.
- (h) Changes in the legal obligation to pay child support and/or an increase in the amount of the child support payments.

.5 Section 63-505.5(MR) shall become inoperative and 63-505.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Reporting Changes for Households Excluded from Monthly Reporting Requirements

(QR) Reporting Changes for Households Excluded from Quarterly Reporting Requirements

.51 Household Responsibility to Report

The CWD shall not impose any food stamp reporting requirements on nonmonthly reporting households except as provided in Sections 63-505.511 through .518. Certified households shall report the following changes in circumstances:

<b>63-505</b>	<b>HOUSEHOLD RESPONSIBILITIES (Continued)</b>	<b>63-505</b>
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- .511 Changes in the sources of income, including starting or stopping a job or changing jobs, if the change is accompanied by a change in income. In addition, changes in the amount of earned income of more than \$100 per month since the last time the household's allotment was calculated. Such earned income households can be certified for no more than six months.
  
- .512 Changes in the amount of unearned income of more than \$50.
  - (a) Changes in the public assistance or the general assistance grant are not required to be reported. Since the CWD has prior knowledge of all changes in these grants, action shall be taken on the CWD information. However, if general assistance and food stamp cases are not jointly processed, the household is responsible for reporting changes of more than \$50.
  
  - (b) Households are not required to report changes in income that result from Social Security COLAs.
  
- .513 All changes in household composition, such as the addition of loss of a household member;
  
- .514 Changes in residence and the resulting change in shelter expenses;
  
- .515 The acquisition of a licensed vehicle not fully excludable under Section 63-501.
  
- .516 When cash on hand, stocks, bonds and money in a checking or savings account reach or exceed the maximum resource eligibility standard as specified in Section 63-409.12.
  
- .517 A change in the amount of child support payments made to a nonhousehold member as specified in Section 63-502.2(p), and/or a change in the legal obligation to pay child support.



<b>63-505</b>	<b>HOUSEHOLD RESPONSIBILITIES (Continued)</b>	<b>63-505</b>
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.518 A reduction of work effort to less than 20 hours per week, or averaged monthly 80 hours a month, for purposes of determining whether an ABAWD has satisfied the work requirement specified in Section 63-410.2.

.52 Section 63-505.52(MR) shall become inoperative and Section 63-505.52(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Timeliness Requirement for Reporting Changes of Nonmonthly Reporting Households

(QR) Timeliness Requirement for Reporting Changes of Change Reporting Households

All households shall report changes within 10 days of the date the change becomes known to the household except nonmonthly reporting households who file PA monthly reports. The ten-day reporting period will begin the day the change becomes known. The change may be reported by telephone, by personal contact, or by mail, and may be reported by a household member, the household's authorized representative, or any person having knowledge of the household's circumstances. When the report is made by mail, it may not reach the CWD within the ten-day period. Households will have met the reporting requirement provided the letter is postmarked within the ten-day period. Nonmonthly reporting households which report changes on the PA monthly reporting form shall be considered to have met their food stamp reporting requirements.

This reporting requirement does not apply to households incurring an increase in monthly medical expenses of \$25 or more. To be permitted a deduction for an increase in medical expenses, the household must report the expense in the month of billing or when the bill otherwise becomes due, in accordance with Section 63-503.251 (medical expenses billing).

It is likely that households will not become aware of the exact amount of the decrease in monthly medical costs until the end of the month, when all expenses can be totaled. The CWD shall take the following action on properly reported decreases in medical expenses;

.521 If the change in monthly medical costs is a one-time only decrease and will not continue in the remaining months of the certification period, no action is required.

<b>63-505</b>	<b>HOUSEHOLD RESPONSIBILITIES (Continued)</b>	<b>63-505</b>
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.522 If the decrease in monthly medical costs is expected to continue past the month of report, the CWD shall act on the change, in accordance with Section 63-504.42.

.6 Other Changes

Although not required, households are to be encouraged to report the following changes since such changes may entitle the household to an increased food stamp allotment.

- .61 A household member reaches age 60, or becomes disabled, as defined in Section 63-102(i).
- .62 The household incurs a dependent care cost, or an increased dependent care cost (within the maximum).
- .63 A change in status of citizenship or work registration.
- .64 The household incurs a new medical expense, or an increased medical expense of more than \$25.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11265.1, .2 and .3, 11369, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 10830, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 CFR 272.4(f); 7 CFR 273.2(j)(3) and (4); 7 CFR 273.10(d)(4); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12, (a)(1)(i), (a)(1)(i)(A), (a)(1)(i)(B), (a)(1)(i)(C)(2), and proposed .12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.2(d); proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.21(b), (b)(4), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3), and (i); 7 CFR 273.12(a)(1)(vii); 7 CFR 273.24(a)(1)(i) and (b)(7); P.L. 100-435, Section 351; P.L. 101-624, Section 1717 [7 U.S.C. 2014(e)] and Section 1723 [7 U.S.C. 2015(c)(1)(A)]; P.L. 102-237, Section 908 [7 U.S.C. 2016(h)(1)]; 7 U.S.C. 2014(d)(6) and (e)(6)(C)(iii); Food and Consumer Services Administrative Notice 96-13, dated December 7, 1995; United States Department of Agriculture, Food and Nutrition Service Administrative Notice 03-23, dated May 1, 2003; Letter from Food and Consumer Services to Fred Schack, dated March 25, 1996; Food Stamp Act of 1977; Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171).

<b>63-506</b>	<b>EXCLUDED RESOURCES AND/OR INCOME OF NATIVE AMERICANS OR ALASKA NATIVES</b>	<b>63-506</b>
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- (a) Indian lands held jointly with the Tribe, or land that can be sold only with the approval of the Department of Interior's Bureau of Indian Affairs.
- (b) Funds or assets of, or payments to Native American tribal members or Alaska Natives shall be excluded as resources and/or income for Food Stamp purposes if specifically excluded by any other federal law. These exclusions include, but are not limited to:
  - (1) Payments received under the Alaska Native Claims Settlement Act (Public Law [P.L.] 92-203, Section 29 and P.L. 100-24, Section 15 or the Sac and Fox Indian claims agreement (P.L. 94-189, Section 6);
  - (2) Payments received by certain Indian tribal members under P.L. 94-114, Section 6, regarding submarginal land held in trust by the United States;

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- (A) The following tribes may benefit from the provisions of Section 63-506(b)(2);
  - 1. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin;
  - 2. Blackfeet Tribe;
  - 3. Cherokee Nation of Oklahoma;
  - 4. Cheyenne River Sioux Tribe;
  - 5. Crow Creek Sioux Tribe;
  - 6. Lower Brule Sioux Tribe;
  - 7. Devils Lake Sioux Tribe;
  - 8. Fort Belknap Indian Community;
  - 9. Assiniboine and Sioux Tribes;

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**HANDBOOK CONTINUES**

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<b>63-506</b>	<b>EXCLUDED RESOURCES AND/OR INCOME OF NATIVE AMERICANS OR ALASKA NATIVES (Continued)</b>	<b>63-506</b>
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**HANDBOOK CONTINUES**

10. Lac Corte Oreilles Band of Lake Superior Chippewa Indians;
11. Keweenaw Bay Indian Community;
12. Minnesota Chippewa Tribe;
13. Navajo Tribe;
14. Oglala Sioux Tribe;
15. Rosebud Sioux Tribe;
16. Shoshone-Bannock Tribe; and the
17. Standing Rock Sioux Tribe.

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**HANDBOOK ENDS HERE**

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- (3) Payments received from the disposition of funds to the Grand River Band of Ottawa Indians (P.L. 94-540).
- (4) Payments received by the Confederated Tribes and Bands of the Yakima Indian Nation and the Apache Tribe of the Mescalero Reservation from the Indian Claims Commission (P.L. 95-433, Section 2).
- (5) Payments made to the Passamaquoddy Tribe, the Penabscot Nation, or the Houlton Band of Maliseet, or any Indian household or member thereof, pursuant to the Main Indian Claims Settlement Act of 1980 (P.L. 96-420, Section 9(c)).
- (6) Payments of relocation assistance to members of the Navajo and Hopi Tribes (P.L. 93-531, Section 22).
- (7) Funds that meet any of the criteria specified in Section 63-506(b)(7)(A);
  - (A) Funds appropriated to satisfy judgements of the Indian Claims Commission or Claims Court (P.L. 93-134, P.L. 97-458 and P.L. 98-64) which:

<b>63-506</b>	<b>EXCLUDED RESOURCES AND/OR INCOME OF NATIVE AMERICANS OR ALASKA NATIVES (Continued)</b>	<b>63-506</b>
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1. Are distributed per capita, not exceeding \$2,000, or held in trust according to an approved plan.
  2. As of January 12, 1983, were to be distributed per capita, up to \$2,000, or held in trust according to a plan approved by Congress prior to January 12, 1983.
  3. Were distributed according to a plan approved by Congress after December 31, 1981, but prior to January 12, 1983, and any purchases made with such funds; or
  4. Are per capita payments, not exceeding \$2,000, from funds which are held in trust by the Secretary of the Interior (trust fund distribution).
- (B) For purposes of this section, the \$2,000 limit on per capita shares applies to each payment made to each household member.
- (C) Purchases made with payments distributed between January 1, 1982 and January 12, 1983 shall be excluded from resources to the extent excluded funds were used to make such purchases.
- (8) Interests of individual Indians in trust or restricted lands shall be excluded as resources only; and any income from such interests, up to \$2,000 per calendar year per individual shall be excluded as income only (P.L. 93-134, P.L. 97-458, and P.L. 103-66, Section 13736).
- (A) For purposes of this section, interests include the individual's right to, or legal share of, the trust or restricted land and any resulting income.
- (B) For purposes of this section, the exclusion applies to each individual household member who holds an interest or legal share.
- (9) Assistance received under the Indian Child Welfare Act child and family service grant programs on or near reservations (P.L. 95-608). These programs include, but are not limited to: family assistance, day care, after school care, respite care, recreational activities, home improvement, employment of domestic relations and child welfare personnel, and education and training.

<b>63-506</b>	<b>EXCLUDED RESOURCES AND/OR INCOME OF NATIVE AMERICANS OR ALASKA NATIVES (Continued)</b>	<b>63-506</b>
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- (10) Payments made to the following: Turtle Mountain Band of Chippewas, Arizona (P.L. 97-403); Blackfeet, Grosventre, Assiniboine tribes, Montana, and the Papago Tribe, Arizona (P.L. 97-408); Red Lake Band of Chippewa Indians (P.L. 98-123, Section 3); White Earth Band of Chippewa Indians, Minnesota, pursuant to the White Earth Reservation Land Settlement Act of 1985 (P.L. 99-264, Section 16); and Saginaw Chippewa Indian Tribe of Michigan (P.L. 99-346, Section 6(b)(2)).
- (11) Per capita and interest payments made to members of the Assiniboine Tribe of the Fort Belknap Indian Community and the Fort Peck Indian Reservation, Montana (P.L. 98-124, Section 5).
- (12) Funds paid to heirs of deceased Native Americans under the Old Age Assistance Claims Settlement Act, except for per capita shares exceeding \$2,000 (P.L. 98-500, Section 8).
- (13) Funds distributed per capita or held in trust for the Chippewas of Lake Superior and the Chippewas of the Mississippi (P.L. 99-146, Section 6(b) and P.L. 99-377).
- (14) Funds, assets or income from the trust fund established pursuant to the Puyallup Tribe of Indians Settlement Act of 1989 (P.L. 101-41, Sections 10(b) and (c)).
- (15) Payments made to the Seminole Nation of Oklahoma, the Seminole Tribe of Florida, the Miccosukee Tribe of Indians of Florida and the independent Seminole Indians of Florida to satisfy the judgments of the Indians Claims Commission, except for per capita payments exceeding \$2,000 (P.L. 101-277).
- (16) Payments, funds distributions or income under the Seneca Nation Settlement Act of 1990 (P.L. 101-503, Section 8(b)).

**63-506 EXCLUDED RESOURCES AND/OR INCOME OF NATIVE AMERICANS OR ALASKA NATIVES (Continued) 63-506**

NOTE: Authority cited: Sections 10553, 10554, 11209, and 18904, Welfare and Institutions Code. Reference: Section 10554, 18901, and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 273.8(e)(10) and (e)(11); 7 CFR 273.9(c)(10); Public Law (P.L.) 92-203, Section 29; P.L. 93-134; P.L. 93-531, Section 22; P.L. 94-114, Section 6; P.L. 94-189, Section 6; P.L. 94-540; P.L. 95-433, Section 2; P.L. 95-608; P.L. 96-420, Section 9(c); P.L. 97-403; P.L. 97-408; P.L. 97-458; P.L. 98-64; P.L. 98-123, Section 3, P.L. 98-124, Section 5; P.L. 98-500, Section 8; P.L. 99-146, Section 6(b); P.L. 99-264, Section 16; P.L. 99-346, Section 6(b)(2); P.L. 99-377; P.L. 100-241, Section 15; P.L. 101-41, Sections 10(b) and (c); P.L. 101-277; P.L. 101-503, Section 8(b); P.L. 103-66, Section 13736; and United States Department of Agriculture (U.S.D.A.) Food and Nutrition Service (FNS), Administrative Notice (AN) 94-41, dated April 19, 1994.

**63-507 RESOURCES AND/OR INCOME EXCLUDED BY OTHER FEDERAL LAW 63-507**

- (a) Resources and/or income shall be excluded if specifically excluded for Food Stamp purposes by any other federal law, including, but not limited to:
  - (1) Benefits received by children from the following programs:
    - (A) Special Supplemental Food Program for Women, Infants and Children (WIC) (P.L. 89-642, Section 11 (b));
    - (B) Special Milk Program (P.L. 89-642, Section 11(b));
    - (C) School Breakfast Program (P.L. 89-642, Section 11(b));
    - (D) School Lunch Program (P.L. 94-105, Section 9(d));
    - (E) Summer Food Service Program for Children (P.L. 94-105, Section 9(d));
    - (F) Commodity Distribution Program (P.L. 94-105, Section 9(d));
    - (G) Child and Adult Care Food Program (P.L. 94-105, Section ((d)).
  - (2) Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (P.L. 91-646, Section 216);
  - (3) Earned income tax credits received before January 1, 1980, as a result of P.L. 95-600 the Revenue Act of 1978.

**63-507 RESOURCES AND/OR INCOME EXCLUDED BY OTHER FEDERAL LAW 63-507**  
(Continued)

- (4) Allowances, earnings and payments to individuals in programs specified under the Workforce Investment Act (WIA) shall be excluded, except that earnings of individuals participating in on-the-job training programs shall not be excluded as either resources or income (P.L. 97-300, Section 142(b) and P.L. 99-198).
- (A) However, earnings of dependent household members under 19 years of age who are participating in on-the-job training under WIA shall be excluded.
1. For purposes of this provision, dependent means a child under 19 years of age who is under the parental control of an adult household member.
- (5) Payments or allowances made under any federal laws, except benefits under a state program funded under Part A of Title IV of the Social Security Act, for the purpose of energy assistance, such as the Low Income Home Energy Assistance Act (LIHEAA), or from Housing and Urban Development (HUD) or the Farmers Home Administration (FmHA) programs. One-time assistance payments or allowances under federal or state laws for weatherization or emergency repair or replacement of heating or cooling devices are excluded.
- (6) Financial educational assistance provided under any of the following:
- (A) A program funded in whole or in part under Title IV of the Higher Education Act (P.L. 102-325);
- (B) Bureau of Indian Affairs student assistance programs (P.L. 102-325);
- (C) Title XIII, Indian Higher Education Programs, Tribal Development Student Assistance Revolving Loan Program (Tribal Development Student Assistance Act);
- (D) To the extent specified in Section 63-502.2(e), the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 (20 U.S.C. 2301-2466d.).



**63-507 RESOURCES AND/OR INCOME EXCLUDED BY OTHER FEDERAL LAW 63-507**  
(Continued)

- (7) Payments received as restitution pursuant to the Civil Liberties Act of 1988, by U.S. citizens of Japanese ancestry and permanent resident Japanese aliens who were interned during World War II or their survivors; and payments received by Aleut residents of the Pribilof Islands and the Aleutian Islands west of Unimak Island pursuant to the Aleutian and Pribilof Islands Restitution Act, for injustices suffered while under United States control during World War II (P.L. 100-383, Section 105(f)(2)).
- (8) Payments received from the Agent Orange Settlement Fund or any other fund established to settle liability claims by veterans or survivors of deceased veterans concerning Agent Orange under the Agent Orange Compensation Act of 1989 (P.L. 101-201 and P.L. 101-329, Section 10405).
- (9) Earned Income Tax Credit (EITC) payments received by any household member as an advance payment or in the form of a lump sum. These payments shall be excluded for 12 months, provided the household was participating in the Food Stamp Program at the time of receipt of the EITC and provided the household participates continuously during that 12-month period (P.L. 103-66).
  - (A) Continuous participation includes breaks in participation of one month or less due to administrative reasons, such as delayed recertifications or missing or late CA 7s.
  - (B) If the pay stub does not indicate an EITC advance payment was received, no further action is required.
  - (C) If it is unclear from the pay stub what amount of EITC advance payment the recipient received, the CWD shall obtain clarification from the recipient and contact the employer if necessary to obtain the amount.
- (10) Federal major disaster and emergency assistance provided to individuals and families under the Disaster Relief Act of 1974 (as amended by P.L. 100-707, Section 105(i)), and comparable disaster assistance provided by states, local governments, and disaster assistance organizations as a result of a major disaster.

**63-507 RESOURCES AND/OR INCOME EXCLUDED BY OTHER FEDERAL LAW 63-507**  
(Continued)

- (11) Payments received from the Radiation Exposure Compensation Trust Fund by an individual for certain diseases attributed to radiation exposure pursuant to the Radiation Exposure Compensation Act of 1990 (P.L. 101-426, Section 6(h)(2)).
- (12) Any amount by which the basic pay of an individual is reduced under the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986 (P.L. 99-576, Section 303(a)(1)).
- (13) Any payment to volunteers under Title II of the Domestic Volunteer Services Act, including but not limited to the Retired Senior Volunteer Program (RSVP), Foster Grandparents Program and Senior Companion Program shall be excluded as income only (P.L. 93-113, as amended).
- (14) Any payments under Title I of the Domestic Volunteer Services Act, including but not limited to VISTA, University Year for Action and Urban Crime Prevention Program to volunteers who were receiving food stamps or public assistance at the time they joined the Title I program shall be excluded as income only. In addition, those individuals who were receiving an income exclusion for a VISTA or other Title I subsistence allowance at the time of conversion to the Food Stamp Act of 1977 shall continue to receive the income exclusion for VISTA for the length of their volunteer contract in effect at the time of conversion. Temporary interruptions in Food Stamp Program participation shall not affect the exclusion once eligibility has been determined (P.L. 93-113, as amended).
- (15) Funds received by individuals age 55 and over provided by the Senior Community Service Employment Program (SCSEP) under Title V of the Older Americans Act shall be excluded as income only (as amended by P.L. 100-175, Section 166).

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**HANDBOOK BEGINS HERE**

- (A) The following organizations receive Title V funds under the Older Americans Act:
  - 1. Green Thumb
  - 2. National Council on Aging

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**HANDBOOK ENDS HERE**

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**63-507 RESOURCES AND/OR INCOME EXCLUDED BY OTHER FEDERAL LAW 63-507**  
(Continued)

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**HANDBOOK BEGINS HERE**

3. National Council of Senior Citizens
4. American Association of Retired Persons (AARP)
5. U.S. Forest Service
6. National Association for Spanish-Speaking Elderly
7. National Urban League
8. National Council on Black Aging

**HANDBOOK ENDS HERE**

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- (16) The value of any child care provided or arranged for, or child care payments made under the programs specified in Sections 63-507(a)(16)(A) through (a)(16)(C) shall be excluded as income only.
- (A) Title IV-A of the Social Security Act, including transitional child care (P.L. 100-485, Section 301).
- (B) The At-Risk Block Grant (P.L. 101-508, Section 5801).
- (C) The Child Care and Development Block Grant (P.L. 102-586, Section 8).
- (17) Allowances, earnings, and payments made under Title I of the National and Community Service Act (NCSA) of 1990 shall be excluded (P.L. 101-610, Section 177(d)). The NCSA includes programs under the Serve America, American Conservation and Youth Corps, and National and Community Service subtitles.
- (A) Earnings of individuals, except dependent household members under 19 years of age, participating in on-the-job training under Title I programs shall not be excluded, consistent with the provisions of Sections 63-502.135 and 63-507(a)(4).

**63-507 RESOURCES AND/OR INCOME EXCLUDED BY OTHER FEDERAL LAW 63-507**  
(Continued)

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- (B) Examples of programs under Title I of the NCSA include: the Higher Education Service-Learning Program; the AmeriCorps umbrella program, including the National Civilian Community Corps and the Summer for Safety programs; and the School-to-Work Opportunities Program.

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- (18) Payments made to individuals because they have been determined to be victims of Nazi persecution (P.L. 103-286, Section (1)).

NOTE: Authority cited: Sections 10553, 10554, 11209, and 18904, Welfare and Institutions Code. Reference: Sections 10554, 18901, 18902, and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 273.2(h); 7 CFR 273.8(e)(11) and (12)(ii); 7 CFR 273.9(b)(1)(v); 7 CFR 273.9(c)(10); 7 CFR 273.10(f); 7 CFR 273.14(e); Public Law (P.L.) 89-642; P.L. 91-646, Section 216; P.L. 93-113; P.L. 94-105, Section 9(d); P.L. 95-531; P.L. 95-600; P.L. 97-300, Section 142(b); P.L. 99-425, Section (e); P.L. 99-576, Section 303(a)(1); P.L. 100-50; P.L. 100-175, Section 166; P.L. 100-383, Section 105(f)(2); P.L. 100-485, Section 301; P.L. 100-707, Section 105(i); P.L. 101-201; P.L. 101-329, Section 10405; P.L. 101-426; P.L. 101-508, Section 5801; P.L. 101-610, Section 177(d); P.L. 102-325; P.L. 102-586; P.L. 103-286, Section 1; 20 United States Code (U.S.C. 2301-2466d; United States Department of Agriculture (U.S.D.A.), Food and Nutrition Service (FNS), Administrative Notice (AN) 94-41, dated April 19, 1994; U.S.D.A., FNS, ANs 94-58 and 94-59, dated July 5, 1994; U.S.D.A., FNS, AN 94-72, dated September 15, 1994; P.L. 104-193, Sections 808 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); and Administrative Notice 96-48.

**63-508 QUARTERLY REPORTING****63-508**

This section (QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

**.1 General Quarterly Reporting Process**

- .11 Eligibility and benefit amounts will be redetermined on a quarterly basis from information reported by the recipient on the Quarterly Eligibility/Status Report (QR 7), using PB as specified in this section.
- .12 An income/eligibility report (QR 7) will be required to be submitted once per quarter (in the third month of the quarter).
- .13 Recipients will have mandatory reporting requirements during the quarter, also known as mid-quarter changes.
  - .131 For public assistance households
    - (a) Changes of address.
  - .132 For non-assistance households
    - (a) Changes of address
    - (b) Work hours for ABAWD individuals
- .14 Generally, benefits are frozen for the three months of the quarter:
  - .141 Circumstances under which benefits may be adjusted during the quarter are:
    - (a) When a voluntary recipient mid-quarter report results in increased benefits;
    - (b) When a mandatory recipient mid-quarter report results in a decrease or discontinuance of benefits;
    - (c) When an individual or household requests discontinuance; or
    - (d) When a county-initiated action results in decreased benefits.

**63-508 QUARTERLY REPORTING (Continued)****63-508**

.15 Benefits shall not be decreased or discontinued during the quarter except as specified in this section.

**.2 Quarterly Reporting Cycle**

.21 The QR cycle is comprised of three consecutive months. The three months constitute a QR Payment Quarter. The terminology to describe the months and the quarter of an individual QR cycle are:

.211 QR Data Month: the month for which the recipient reports all information necessary to determine eligibility. The QR Data Month is the second month of each quarter.

.212 QR Submit Month: the month in which the QR 7 is required to be submitted to the CWD. This month immediately follows the QR Data Month and is the third month of each quarter.

.213 QR Payment Quarter: the quarter in which benefits are paid/issued in the three-month period immediately following the QR Submit Month.

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The following table illustrates how months are arranged in a QR cycle.

			2 <sup>nd</sup> Quarter		
January	February	March	April	May	June
1 <sup>st</sup> Month of the Quarter	QR Data Month	QR Submit Month	QR Payment Quarter		

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**.22 Aligning Reporting Cycles**

Instances will occur when reporting cycles between the CalWORKs program and the Food Stamp Program could vary and may need to be aligned together. The general rule for doing this is for the CalWORKs program to align its cycle with an existing food stamp household's reporting cycle, and for both programs to align their redeterminations and recertifications in the QR Submit Month. There may also be instances where the Food Stamp Program can align a reporting cycle to an existing CalWORKs reporting cycle.

**63-508 QUARTERLY REPORTING (Continued)****63-508**

- .221 Reporting cycles may be aligned between the Food Stamp Program and the CalWORKs program.
- .222 When an existing Food Stamp Program cycle has been established and a new CalWORKs application is approved, the CalWORKs program shall, whenever possible, align its reporting cycle to the existing Food Stamp Program.
- .223 The Food Stamp Program may align its recertification period with the CalWORKs redetermination date by lengthening the household's certification period, providing the certification period does not exceed a 12-month period as specified in Section 63-504.16.
- .224 The household's recertification period cannot be shortened, as provided in Section 63-504.15, solely to align the recertification with the CalWORKs redetermination period.
- .225 If the recertification is not aligned with the CalWORKs redetermination date, the CWD shall determine eligibility and take action mid-quarter to increase, decrease or discontinue benefits as specified in Section 63-504.6 and as determined by the CWD based on information reported on the recertification form and by the recipient.

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- (a) CalWORKs is active without an accompanying food stamp case. A food stamp application is approved mid-quarter in February, in a January/February/March quarter. Action on the food stamp case is to align to the existing CalWORKs reporting cycle and redetermination date which shall not exceed a 12-month duration. The household will be instructed to return the QR 7 by the 5<sup>th</sup> of March, the QR Submit Month. Both program reporting cycles are now aligned. The CWD will anticipate the household's income for February and March and average income over the two "start-up" months.
- (b) The same case as above, except the food stamp application is approved in January. The household is instructed to return the QR 7 by March 5<sup>th</sup>. The two program reporting cycles are now aligned. The CWD will anticipate income through the month of March, the QR 7 Submit Month. Income is averaged over the quarter. The January food stamp allotment is pro-rated because January is an application month.

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**HANDBOOK CONTINUES**

- (c) The same case, except the food stamp application is approved in March. The household is instructed about their reporting cycle and that the QR 7 must be returned by June 5<sup>th</sup>. Both programs now have the same reporting cycle. The CWD will use actual/reasonably anticipated income received in March to determine benefits for March (i.e., the household received \$300 UIB in March, so \$300 is budgeted for March). The CWD will then anticipate the household's income through June, the upcoming quarter's Submit Month.

**HANDBOOK ENDS HERE****.3 Quarterly Reporting Form – Quarterly Eligibility/Status Report (QR 7)**

The CWD, at the time of the application interview, shall determine which households are subject to QR requirements. The CWD shall provide all QR households with the QR 7 for reporting the information and changes required by Section 63-508.4. The CWD shall provide assistance in completing and filing the QR 7 to households whose adult members are all either mentally or physically disabled, non-English speaking or lacking in reading and writing skills such that they cannot complete and file the QR 7. The CWD shall require QR households to submit a complete QR 7 by the 5<sup>th</sup> of each Submit Month. Recipient due dates and CWD time limits shall be modified by Section 63-102(c).

- .31 CWDs shall ensure that households receive the QR 7 at the end of each QR Data Month and no later than the first day of each QR Submit Month. Information reported on the QR 7 shall be used to determine eligibility and to prospectively budget income to determine the benefit level for the upcoming QR Payment Quarter.
- .32 CWDs must ensure that QR recipients provide information and answers to all questions and items on the QR 7 and attest, under penalty of perjury, that they have truthfully reported all required information.
- .321 Recipients will be required to report all income received for the QR Data Month, any changes in household composition or property since the last Data Month and any changes in income the recipient anticipates will occur in the upcoming QR payment quarter.
- .322 Upon receiving the QR 7 the CWD shall:
- (a) Review the report to ensure completeness and consider the report incomplete if it does not meet the criteria for a complete QR 7, as defined in Section 63-508.4.



<b>63-508</b>	<b>QUARTERLY REPORTING (Continued)</b>	<b>63-508</b>
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- (b) Determine those items which will require additional verification and/or clarification.
- (c) Notify the household, as specified in Section 63-508.6, of the need to correct an incomplete or inaccurate QR 7, and/or submit additional verification/clarification, as required by Section 63-508.613.
- (d) Determine the household's eligibility prospectively by considering all factors, including income, in accordance with Section 63-508.4.
- (e) Determine the household's level of benefits for that next QR Payment Quarter based on information reported on the QR 7, including anticipated income for that QR Payment Quarter, and household composition determined as of the Data Month. In calculating the household's benefit level, the following income and deductions shall be considered:
  - (1) Nonexcluded earned and unearned income received in the corresponding Data Month and any anticipated changes for the next QR Payment Quarter, including the earned income of an elementary or secondary school student only if the student is 18 years of age or older at the beginning of the Data Month. The CWD shall use the actual/reasonably anticipated amount received by the household to compute benefits, except as provided in Section 63-503.22.
  - (2) Allowable deductions as billed or averaged from the corresponding payment quarter or as averaged over the certification period, including those shelter costs billed less often than monthly which the household has chosen to average.
- (f) Issue benefits, in accordance with the time frames set forth in Section 63-508.63.

.4 Completeness Criteria for the QR 7

The CWD shall consider the QR 7 complete if all of the following requirements are met.

.41 The QR 7 is dated no earlier than the first day of the Submit Month.

**63-508 QUARTERLY REPORTING (Continued)****63-508**

- .411 This requirement shall be met when the date entered on the QR 7, together with other dated material provided with the QR 7, and the date on which the CWD mailed or gave the QR 7 to the household clearly established the month and year to which the QR 7 applies.
- .412 This requirement shall not apply when:
- (a) The first day of the Submit Month falls on a non-postal delivery day;
  - (b) The QR 7 is mailed by the CWD for delivery on the last postal delivery day of the Data Month; and
  - (c) The recipient signs and dates the QR 7 on or before the last day of the Data Month.
- .42 The QR 7 provides the CWD with address (location) information sufficient to locate the household, however, households which do not have a fixed address shall not have their QR 7s rendered incomplete solely for this reason.
- .43 The QR 7 is signed by the head of the household, authorized representative, or responsible household member. The PA caretaker relative, natural or adoptive parent, if not one of the above, shall not satisfy this requirement.
- .44 All questions and items pertaining to food stamp eligibility are fully answered and provide the CWD with the information to correctly determine eligibility and benefit level, except the CWD shall not consider the QR 7 incomplete if information regarding child/spousal support disregard payments had not been included.
- .441 To be considered fully answered, information on the QR 7 together with attached documentation must provide sufficient information to allow for the determination of eligibility and/or benefit level.
- .442 Questions on the QR 7 shall not be considered fully answered if situations such as, but not limited to the following exist:
- (a) The QR 7 does not include information on changes that the household has previously reported to have occurred; for example, an actual change that the household reported to the CWD by telephone mid-quarter was not included on the QR 7.

<b>63-508</b>	<b>QUARTERLY REPORTING (Continued)</b>	<b>63-508</b>
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- (b) The QR 7 does not include information that was reported on the previous QR 7 and the household does not indicate a change has occurred (e.g., the household previously reported earnings from two sources and only reported income from one source on the current QR 7).
  - (c) If elements pertaining to one program's requirements are missing from the QR 7, the QR 7 shall be considered incomplete for that program only.
  - (d) The CWD shall not consider the QR 7 incomplete if information regarding child/spousal support disregard payments has not been included.
- .45 Verification is provided for gross nonexcluded earned income and nonexcluded unearned income for the Data Month when first reported and when there is a change in the amount of income received except as specified in Sections 63-504.325(a) and 63-505.311.
- | .451 Repealed by Manual Letter No. FS-06-04, effective 11/1/06.
- | .46 Verification is provided for the source of all excluded income when first reported on the QR 7 and any change in the source of the income.
- .5 Timely and Late Quarterly Reports
- .51 The QR 7 is due by the 5<sup>th</sup> of the Submit Month and is considered timely if it is received by the 11<sup>th</sup> calendar day of the QR Submit Month but not before the first calendar day of the QR Submit Month.
- .52 The QR 7 is late if it is received after the 11<sup>th</sup> day of the QR Submit Month.
- .53 The household shall be terminated from receipt of food stamp benefits if:
- .531 There is no longer eligibility for food stamps in the upcoming Payment Quarter;
  - .532 A complete QR 7 is not submitted by the 1<sup>st</sup> working day of the new Payment Quarter;
  - .533 There is failure to comply with a non-financial eligibility requirement, such as the work registration requirements; or

**63-508 QUARTERLY REPORTING (Continued)****63-508**

.534 Termination of benefits is requested in writing.

.6 QR 7 Not Received or is Incomplete

The CWD shall provide a notice of action to a QR/PB reporting household which fails to file a QR 7 by the 11<sup>th</sup> day of the Submit Month or files an incomplete QR 7.

.61 The notice of action shall inform the household:

.611 That the QR 7 either is overdue or incomplete;

.612 What the household must do to complete the QR 7;

.613 If any verification is missing and the effect on the household's benefits level;

.614 That the SSN of a new member must be reported;

.615 What the extended filing date is; and

.616 That the CWD will assist the household in completing the report.

- (a) If the household submits a QR 7 by the date the CWD mails the notification of the missing QR 7, but fails to provide the required verification/information with the QR 7, the CWD shall notify the household of the need to submit the missing verification and/or information by the extended filing date as specified in Section 63-508.44(b).

The CWD shall not delay benefits if the missing verification/information is for a deduction. If the household fails to provide the missing verification and/or information, other than for income, by the extended filing date, the CWD shall not consider the QR 7 incomplete. Any deductions for which the verification/information is missing shall be disallowed.

- (b) The household shall provide with the QR 7 verification of the following items:
- (1) Dependent care costs which have changed since the last report or when there is questionable information which is inaccurate, incomplete, outdated, or inconsistent:

**63-508 QUARTERLY REPORTING (Continued)****63-508**

- (2) If the household voluntarily reports a change in its medical expenses and fails to verify the change, and that change would increase the household's allotment, the CWD shall not make the change. The CWD shall act on reported changes without requiring verification if the changes would decrease the household's allotment or make the household ineligible, although verification which is required shall be obtained prior to the household's recertification.
  - (3) All expenses incurred in producing self-employment income;
  - (4) Residency as defined in Section 63-401 when there is a change;
  - (5) Social Security numbers or citizenship or non-citizen status for household members when there is a change.
  - (6) A change in the legal obligation to pay child support to a person not in the food stamp household and/or an increase in the amount of child support payments.
- (c) The CWD may elect to require verification of housing costs when first allowed as a deduction and when there is an address change.
- (d) If the household submits information and/or verification with the QR 7 which the CWD determines to be questionable, the CWD shall notify the household as specified in Section 63-508.62. The household shall be allowed until the extended filing date to submit the necessary verification/clarification.
- (e) The CWD shall contact the household as needed to obtain further information on specific items. These items include, but are not limited to:
- (1) The effect of a reported change in resources on a household's total resources; and
  - (2) The effect of a reported change in household composition or loss of job or source of earned income on the applicability of the work registration or voluntary quit requirements.

**63-508 QUARTERLY REPORTING (Continued)****63-508**

- .62 The CWD shall send the notice of action no later than 10 days before the end of the Submit Month and give the household until the extended filing date, as specified in Section 63-508.63, to file a complete QR 7. If a complete QR 7 is received after the 11<sup>th</sup> of the Submit Month, but prior to the mailing of the notice, the notice shall not be sent. If a household responds to the notice of action by submitting an incomplete QR 7, the CWD need not provide a second notice to the household.

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**HANDBOOK BEGINS HERE**

- .621 Under the Saldivar v. McMahon court order, CWDs are to continue to provide timely and adequate notice.
- .622 The recommended CDSS-developed forms to use in notifying households of a missing or incomplete QR 7 are the NA 960X or NA 960Y, respectively or a county substitute containing all notice requirements.
- .623 Under QR/PB rules, an overissuance (O/I) will be established when the CWD is unable to decrease benefits due to the 10-day noticing provisions.

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- .63 After notifying the household, the CWD shall allow the household until the extended filing date to file a complete QR 7.
- .631 The household's participation shall be terminated effective the end of the Submit Month, if the household fails to file a complete QR 7 by the extended filing date.
- .632 If the household does not submit a complete QR 7 by the extended filing date, the discontinuance remains in effect and the recipient must reapply for food stamp benefits, unless good cause is established.
- .64 Good Cause for Failure to Submit the QR 7
- .641 If the household reapplies for benefits in the calendar month following discontinuance for failure to submit a QR 7, the CWD shall determine if the recipient had good cause for failure to submit a complete and timely QR 7 for the previous quarter.
- .642 Good cause must be determined using the criteria listed under Section 40-181.23 in the CalWORKs program.

**63-508 QUARTERLY REPORTING (Continued)****63-508**

- .643 If the CWD determines that the household had good cause for failing to submit the QR 7 by the extended filing date, the CWD shall rescind the discontinuance action and determine food stamp eligibility and benefit amount based on the information on the QR 7. The recipient's QR cycle remains unchanged.
- .644 Once a full calendar month has passed since the QR 7 discontinuance date, the household may not claim good cause and must reapply for benefits.
- .645 If information reported on the QR 7 results in a decrease in benefits, the CWD must provide 10-day notice before taking action to decrease benefits.
- (a) Once good cause has been determined and the discontinuance rescinded, benefits must be released to the household at the previous higher amount until a 10-day notice can be sent to the recipient.
  - (b) An overissuance will be established when benefits are released at a previous higher level as a result of the CWD's inability to decrease benefits without 10-day notice.

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Example: A household is receiving \$200 in food stamp benefits. In the October/November/December quarter, the Mother fails to submit her QR 7 for the month of November by December 11. After sending an appropriate discontinuance notice, the household still does not submit a QR 7. Benefits are discontinued effective December 31.

The household comes in on January 4 to reapply for aid. The CWD determines that the household had good cause for not turning in the November QR 7, due to mail delivery and pick up problems in the area. When the household submits the November QR 7, it reports having been approved for UIB in the amount of \$100 per week, which is new income not previously budgeted. With receipt of UIB, the household is eligible to \$100 in food stamp benefits. The CWD must restore benefits at the previous higher level of \$200 because it cannot provide 10-day notice to reduce January's benefits. The CWD must make a mid-quarter adjustment for the Jan/Feb/March Payment Quarter by sending the household a 10-day notice to decrease benefits effective February 1. There is a \$100 O/I for the month of January.

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**63-508 QUARTERLY REPORTING (Continued)****63-508**

- (c) If the QR 7 information results in an increase in benefits, and the CWD cannot increase benefits by the first month of the next QR Payment Quarter, a supplement shall be issued for that month and benefits increased for the remaining months of the QR Payment Quarter.

There is no opportunity for the recipient to claim good cause once a full calendar month has passed since the discontinuance date.

.65 Action on Information Reported on the Quarterly Report (QR 7)

Prompt action shall be taken on all reported changes to determine if the reported information affects the household's eligibility and/or benefit level.

- .651 The CWD shall use the information on the QR 7 to determine continuing eligibility and benefit amount over the next QR period based on all eligibility factors.

- (a) The QR 7 must provide a report of income received by the household on the QR 7, any changes in household composition or property since the last Data Month and any changes in income and medical, dependent care and child support deductions the recipient anticipates will occur in the upcoming QR Payment Quarter. For treatment of shelter costs, refer to Section 63-509(a)(3)(B).
- (b) Based on the information provided on the QR 7, the CWD shall determine continuing eligibility using PB rules.
- (c) Changes that are reported on the QR 7 and result in an increase or decrease in benefits shall be made effective for the next QR Payment Quarter. Refer to Section 63-509(e)(2) for treatment of information reported on the QR 7 which would result in a voluntary mid-quarter change in the Submit Month.
- (d) Changes that are reported on the QR 7 and result in the household becoming ineligible shall terminate the household's participation effective the end of the Submit Month.

- .652 When a recipient has made a voluntary or mandatory mid-quarter report in the current quarter, the information from that mid-quarter report shall be considered part of the case record, regardless of whether it resulted in a mid-quarter benefit change.



**63-508 QUARTERLY REPORTING (Continued)****63-508**

.653 When the recipient submits a QR 7 subsequent to a mid-quarter report of a change, CWDs must first review changes reported on the QR 7 to ensure that circumstances reported on the mid-quarter report are also reflected on the QR 7 and should proceed as follows:

- (a) No further action shall be required if the information reported on the QR 7 is consistent with information provided in the voluntary or mandatory report.
- (b) The CWD shall take action to resolve the discrepancy and determine the actual current household situation if the information on the QR 7 is not consistent with information provided in the voluntary or mandatory report. The CWD shall attempt to contact the recipient to resolve the discrepancy. The QR 7 shall be considered incomplete and appropriate noticing actions shall take place if the CWD is unable to contact the recipient or obtain resolution from such contact.

.654 New Household Member Reported on the QR 7

If a new household member is reported on the QR 7, the CWD shall take the following actions:

- (a) To complete the determination of eligibility, the CWD has the option either to require the household to complete the CA 8 or to contact the household to obtain the necessary information for the new member and update the last application.
- (b) If the household is determined eligible based on Data Month information, the CWD shall issue benefits for the new member effective the first of the next QR Payment Quarter. The new member shall be required to comply with the verification requirements specified in Section 63-300.5 and the work registration requirements specified in Section 63-407.
- (c) If the household is determined ineligible based on Data Month information, the CWD shall discontinue benefits after the 10-day notice is provided to the household.
  - (1) If the household was initially determined eligible based on Data Month information, and prior to authorization of benefits, the CWD learns in the Submit Month that the new member is ineligible, that information is considered a mid-quarter voluntary report of a change. However, the individual is considered an excluded household member and resources and income shall be treated as reported on the QR 7 in accordance with Section 63-503.442. The individual remains an excluded individual until a new eligibility determination is made with the next QR 7.

**63-508 QUARTERLY REPORTING (Continued)****63-508**

- (2) With receipt of the next QR 7, the excluded individual shall no longer be considered excluded and eligibility for continuing household eligibility shall be based on all Data Month information provided by the household. The former excluded member will continue to remain an excluded member only if the requirements of Section 63-503.44 are met.
- (3) Benefits for the household shall be discontinued at the end of the next QR Payment Quarter if the household is determined ineligible for benefits based on next quarter's Data Month information.

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Example: The quarter is January/February/March. The father is reported in the home for the first time on the QR 7 received in March indicating that the father is employed part-time. Based on the Data Month information, the father is eligible to be added into the household.

On March 5, the CWD learns that the father became fully employed, which will render the household ineligible for benefits; however, the CWD has not yet taken action to authorize benefits for the new member. The information reported on March 5 is considered a mid-quarter voluntary report.

The father becomes an excluded household member and his income reported on the QR 7 is treated as an excluded person's income to determine benefits for the next QR Payment Quarter. His income/property must be reported on the next QR 7 and the father is now treated as a household member. He will be either added to the household at the beginning of the new quarter (July) or, if circumstances have not changed, the household will be discontinued after the 10-day notice is given to the household.

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**HANDBOOK ENDS HERE****.655 Treatment of a Previously Disqualified Household Member**

A previously disqualified member shall be added to the household beginning the first of the month after the disqualification period ends. If the new member is not eligible to participate, income shall be treated as that of an excluded member as specified in Section 63-503.44. Benefits would be increased if the disqualification ends mid-quarter and would result in a mid-quarter increase.

<b>63-508</b>	<b>QUARTERLY REPORTING (Continued)</b>	<b>63-508</b>
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.66 Resource Eligibility

- .661 Resource eligibility is determined once per quarter. Information reported on the QR 7 is used to determine continuing property eligibility for the entire upcoming QR Payment Quarter.
- (a) No assessment of resource eligibility shall be made during the QR Payment Quarter.
  - (b) Actions can be taken mid-quarter if they do not impact eligibility.
  - (c) The household remains eligible for the entire QR Payment Quarter if resources reported on the QR 7 along with resources previously reported do not exceed the resource limit.
  - (d) The case shall be discontinued at the end of the QR Submit Month, with timely and adequate notice, if the household exceeds the resource limit based on property that is reported on the QR 7.
  - (e) For households that exceed the resource limit on the QR 7, but during the Submit Month the household provides verification that the resources are below the resource limit, the household shall be considered resource eligible for the upcoming QR Payment Quarter. A discontinuance notice shall be rescinded and benefits reinstated for the QR 7 Reporting Period.

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Example: The designated quarter is January/February/March. The recipient submits a timely and accurate QR 7 for February on March 5. The CWD determines that the recipient is property eligible in the QR Data Month of February. On March 20, the recipient receives a cash gift and deposits it in the household's bank account. The account balance, if considered, would render the household ineligible. The recipient is not required to report the bank account until the next QR 7 report is due (in June). If the recipient reports the account sooner, the county is not authorized to take any action to discontinue the case for exceeding the resource limit. Property eligibility is determined only once per quarter, based on information reported on the QR 7.

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Example: Same QR Payment Quarter as above. The CWD discontinues benefits at the end of the QR Submit Month with timely notice based upon the household's property ineligibility reported on the QR 7. Later in March, the recipient notifies the CWD that the balance in the account is below the resource limit and verification is provided. The discontinuance shall be rescinded if all combined property and eligibility information contained on the current QR 7 renders the household eligible for continued benefits.

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**HANDBOOK ENDS HERE****.67 Household Composition Reporting Requirements**

A household is required to demonstrate that it is eligible only once each quarter based on information reported on the QR 7.

.671 Households may voluntarily report changes in household composition during the quarter. Action on household composition changes reported during the quarter will only be taken if benefits can be increased. When considering the addition of a new household member, all resources and income of that person must be considered in the determination to increase benefits.

- (a) If the change would otherwise result in a decrease or discontinuance in benefits, no action shall be taken until the QR 7 is received.

NOTE: Authority cited: Sections 10554, 11265.1, .2, .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; Food and Nutrition Service Quarterly Reporting waiver approval dated April 1, 2003; and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) [7 U.S.C. 2014(d)(6)].

**63-509 INCOME ELIGIBILITY AND BENEFIT CALCULATION  
FOR QUARTERLY REPORTING****63-509**

Section 63-509(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(a) Income Eligibility and Grant Calculation for Quarterly Reporting Households

Benefits for the QR Payment Quarter will be determined using prospective budgeting, reasonably anticipated income and income-averaging rules.

(1) Prospective Budgeting

Income and household information from the QR Data Month and anticipated changes in income and expenses must be considered when determining eligibility and benefit levels for a Payment Quarter. Documentation is required in the case folder which explains how income was projected in determining benefit calculations. Case narrative entries must include, but are not limited to, the following types of documentation:

- (A) Income the recipient states is expected in future months;
- (B) Whether anticipated income will be different than income that the recipient reported receiving for the QR Data Month;
- (C) Documentation of the reasons for not accepting the recipient's estimate if the information is questionable;
- (D) Other information used to determine what income will be used in the benefit calculations (verifications, employer's statements, case history, etc.) if the recipient's estimate is not used.

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Case narratives and other documentation will be critical when documenting new income, income that is expected to change, income that fluctuates, and income that is so unstable that the recipient cannot make a reasonable estimate of what income to expect in future months. QC reviewers will rely heavily on case documentation when reviewing case files to determine if benefits have been issued in the correct amounts. To avoid QC errors, case documentation is a necessary requirement.

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## (2) Reasonably Anticipated Income

Income is "reasonably anticipated" when the CWD determines it is reasonably certain that the recipient will receive a specified amount of income during any month of the QR Payment Quarter and applies to all income, earned or unearned.

If the amount of income or when the income will be received is uncertain (i.e., it cannot be reasonably anticipated), that portion of the household's income that is uncertain or cannot be reasonably anticipated will not be counted when determining income eligibility and benefit levels.

If the household reports a decrease in income for the Submit Month, the CWD will treat it as a mid-quarter change and use the information of decreased income to anticipate income for the next QR Payment Quarter if the change continues into the next quarter.

Income shall be considered to be reasonably anticipated if it is determined that:

- (A) The income has been or will be approved or authorized within the upcoming quarter; and,
- (B) The household is otherwise reasonably certain that the income will be received within the quarter; and
- (C) The amount of the income is known.
  - 1. A determination of what income is reasonably anticipated is required when a household:
    - a. first applies for benefits;
    - b. reports new income on the QR 7;
    - c. reports on the QR 7 that income is expected to change;
    - d. has income that changes; and
    - e. makes a mid-quarter report of an income change.
  - 2. Using Different Sources to Determine Reasonably Anticipated Income
    - a. The sources used to determine what income is reasonably anticipated may differ based on the circumstances listed in 63-509.121. The following sources may be used, but are not all inclusive:
      - (i) information provided by an employer; and/or

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- (ii) the source of income; and/or
- (iii) payment dates, hours of work; and/or
- (iv) the recipient's estimation of income.
- b. If, with the help of the recipient, a determination of how income will change cannot be made, only that portion of income that the household reasonably anticipates shall be used in the benefit calculation.
- 3. The following are guidelines to determine income that is reasonably anticipated by the household. They include, but are not limited to the following.
  - a. Take into account income that the household reports/estimates as being reasonably anticipated for the upcoming QR Payment Quarter;
  - b. If the household is unable to provide an estimate of anticipated income on the QR 7, the recipient, may be contacted for additional information;
  - c. If the household is unable to estimate future income with the CWD's assistance, the employer or source of income may be contacted with authorization from the recipient.
  - d. If income received during the past 30 days does not provide enough information to determine changes in income, take into account past income received by the household as an indicator of income to expect over the next quarter, if it will provide a more accurate indication of fluctuations in future income.
  - e. For seasonally fluctuating income, a review of the employment history for the most recent past season can be used if it will provide a more accurate indication of fluctuations in future income.
  - f. Past income cannot be used as an indicator of anticipated income for the quarter if changes in income have occurred or can be anticipated.

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- g. A new source of income, such as a new job, cannot be anticipated if it is uncertain when the job will start or what amount the recipient will be paid.

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Example: A recipient reports on the QR 7 that a household member will start a new job in the upcoming quarter. The household reports that the payday falls within the next QR Payment Quarter and reports the anticipated wage amount and expected hours. Because the timing and amount of the income is reasonably certain, the CWD should consider this income to be reasonably anticipated and therefore should use it in the benefit calculations for the next QR Payment Quarter. The CWD shall document the recipient's statement of expected hours and wages in the case file to substantiate the recipient's estimate.

Example: A household reports that a member has been verbally approved for State Disability Insurance (SDI). However, the household member has not received an actual award letter or check, and does not know the exact start date or amount. Because the timing and amount of the income is not known, the CWD should not prospectively use this income in the calculation for the upcoming QR Payment Quarter. If the hours/rate of pay can be anticipated, but the start date of pay is not known, then the CWD cannot anticipate the income.

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- (3) Reasonably Anticipated Medical, Child Support and Child Care Expenses
- (A) Medical, child care and court-ordered child support expenses shall be determined as follows:
1. Determine the expense amount that is reasonably anticipated in each month of the quarter.
  2. Average the anticipated amounts over the months of the quarter and use the resultant amount as the expense deduction when computing benefits.



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3. Expenses paid on a weekly or bi-weekly basis shall be converted to a monthly deductible expense by multiplying the weekly and bi-weekly figure expense by 4.33 or 2.167 as appropriate if income is also multiplied by these conversion factors.
4. Document the rationale for the determination of the anticipated expense deduction.

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	Example 1	Example 2	
Child Care for:	January	\$175	\$200
	February    200	0	
	March        150	150	
	Total        \$525	\$350	
Quarterly Expense $5 \div 3$	\$175	\$116	

The allowable average child care expense for the Quarter in Example 1 is \$175. In Example 2, it is \$116.

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(B) Shelter Costs

Shelter costs shall be determined at application and recertification and shall remain fixed at the determined amount until the household reports either a change on the QR 7, makes a voluntary mid-quarter report, or a mandatory report of a move.

1. Increased shelter costs reported mid-quarter shall be recomputed using the new shelter cost. The new shelter deduction amount is fixed and will remain the same until another change is reported or until the next recertification occurs.

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2. If the report of a shelter cost increase results in increased benefits mid-quarter, the increased cost need not be reported on the next QR 7. Food stamp benefits shall be supplemented if benefits can be increased mid-quarter.
3. If a report of a shelter cost decrease would result in a mid-quarter decrease, the recipient shall be notified via a "No Change NOA" that no mid-quarter change resulted.

**(C) Utility Costs**

Entitlement to the SUA, LUA, or telephone allowance shall be determined at application and at recertification and shall remain in effect during the certification period per Section 63-502.363.

**(4) Income Averaging Over the Quarter****(A) Averaging Income Reported on the QR 7**

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The following basic income averaging steps shall be taken to determine the monthly income average that shall be used in the benefit calculation for fluctuating income over the QR Payment Quarter.

1. Add the reasonably anticipated gross unearned income for each month of the quarter and divide by three. If the household receives the exact amount of income from month to month in the QR Payment Quarter, averaging over the quarter is not necessary. (Refer to Section 63-509(a)(5) for usage of the weekly and bi-weekly conversion factors when averaging income over the QR Payment Quarter.)
2. Apply all applicable allowances and deductions to the averaged income amounts to generate an average Net Non-exempt Income (NNI).
3. Add the NNI of each income type together to determine the average monthly NNI for the household.
4. For households that receive a CalWORKs benefit, the actual CalWORKs grant amount for each month must be used when computing food stamp benefits. The actual anticipated CalWORKs grant shall not be averaged over the QR Payment Quarter.

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Example: The quarter is October/November/December. The mother submits the QR 7 for November to the CWD on December 10. On the QR 7, she reports that she started a part-time job in December that will only last until the end of January, when the holiday shopping season ends. She reports that she will be paid \$900 in January and \$800 in February. The mother's aided spouse is also receiving Unemployment Insurance Benefit (UIB) of \$100 paid bi-weekly.

Benefits for the January/February/March quarter are computed based on the income the household anticipates it will receive for that quarter as follows:

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Income Determination

Earned Income for January	\$900
+Earned Income for February	800
+Earned Income for March	0
Subtotal Earned Income for Quarter	\$1700
Earned Income Divided by 3	\$566.67

Computation

Averaged Gross Monthly Earned Income	\$566.67
Less Earned Income Deduction	-113.33
Less Standard Deduction	-134
Average Monthly Net Earned Income	\$319.34
Add average Monthly Net Earned Income	+319.34
Add Average Monthly UIB (\$100 x 2.167)	+216.70
(For usage of conversion factors, refer to (B) below)	
Add CalWORKs Monthly Grant	+372
Subtotal	\$908.04
Less Excess Shelter Deduction	- 350
Net Income	\$ 558

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(5) Weekly and Bi-Weekly Conversion Factor Usage

Under the following circumstances the CWD shall add weekly or bi-weekly Data Month income amounts reported on the QR 7 and divide that total by the number of pay periods in the Data Month to arrive at an average weekly or bi-weekly income amount to which the conversion factors shall be applied.

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- (A) A household reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it does not anticipate any changes in income in the upcoming quarter compared to the data month income actually reported on the QR 7, and the CWD is in agreement with the household's report of no change in income, or
- (B) A household reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it does anticipate changes in its income in the upcoming quarter, but the county determines in its follow-up review that the AU's/HH's reasonably anticipated income in the next quarter will not change from what was reported in the Data Month on the QR 7, or
- (C) A household reports that it is paid on a weekly or bi-weekly basis, indicates that there are changes in income in the upcoming quarter, the amount is known and will remain the same for the entire QR payment quarter, and the CWD is in agreement with the reported income.
- (D) The average weekly and bi-weekly amounts arrived at above shall be converted to a monthly amount by using a 4.33 conversion factor for weekly payments and a 2.167 conversion factor for payments received bi-weekly.
- (E) The conversion figures can only be used if weekly and bi-weekly payments are paid throughout the entire QR Payment Quarter for each week or for every-other week in the quarter.
- (F) The conversion factors shall not be used for income received on a monthly or semi-monthly schedule.

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## Examples:

1. The recipient reports on the QR 7 that 4 weekly paychecks were received in the following amounts: \$115, \$100, \$135 and \$95. The recipient also indicates on the QR 7 that his/her income is not expected to change during the next payment quarter compared to reported income on the QR 7. The CWD will add the 4 weeks of income together, divide by 4 and then factor the resultant amount by 4.33 (use the appropriate conversion factor for the payment frequency) to arrive at the monthly income amount for the next QR Payment Quarter. If 5 pay periods were reported in the Data Month on the QR 7, the CWD will add each week together and divide by 5 and then factor the resultant amount by 4.33.

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2. The QR Payment Quarter is January/February/March. The recipient indicated on the QR 7 that weekly income of \$100 was received in the Data Month and marks on the QR 7 that this income amount will not continue during the upcoming QR Payment Quarter. The CWD consults with the recipient and finds out that the recipient anticipated a change in income because he/she hopes to get a new job in the next quarter but has no firm offer. The recipient states that if he/she does not get a new job, he/she will continue at the current job throughout the next quarter making the same amount. Due to the speculative nature of the new job and the recipient's statement regarding the current job, the CWD determines that the income reported in the data month on the QR 7 is reasonably anticipated to continue during the next quarter. Therefore the CWD would apply the conversion factor of 4.33 to the \$100 weekly amount to arrive at the monthly income amount for the next QR Payment Quarter (In this example, because the 100 weekly amount remains the same for each pay period, the step requiring that the weekly amounts be added together and divided by the number of pay periods is not necessary)
3. The recipient reports on the QR 7 that she is paid on a weekly basis except she only works 3 weeks in a month and indicates that this frequency of pay will remain the same throughout the QR Payment Quarter and will remain unchanged throughout the next QR Payment Quarter. She is typically paid \$115, \$100, \$135. The CWD will add the 3 weeks of income together to arrive at a reasonably anticipated monthly income for the next QR Payment Quarter. Since income is not paid every week of the QR Payment Quarter, the income cannot be factored.

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- (6) Benefit Determination Based on Income That Will Change in the Upcoming QR Payment Quarter
  - (A) When the household has or reports income that will change during the next QR Payment Quarter, the determination of whether income is reasonably anticipated will require additional steps and thorough case documentation. First use the household's anticipation of income if the household is able to provide it and if there is no conflicting information. If the information is questionable or the household is unable to anticipate future income, the household may be contacted to obtain additional information about anticipated pay and/or hours of work. If the household cannot be contacted, or if the household and/or the CWD are unable to anticipate future income levels, the recipient or the CWD with the household's written permission, may contact the household's employer regarding anticipated work hours or pay.

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- (B) If the CWD is still unable to reasonably anticipate future income, the CWD may also look at the recipient's prior work patterns to assist in determining the number of future work hours, if the recipient states that s/he had prior work hours/wages that are similar to the anticipated work pattern. This may include asking the recipient to provide available prior work information and/or reviewing information in the case file. The CWD is not limited to reviewing income from the previous quarter only, but may use income information from the past 12 months to help establish patterns in income. However, if the household states that his/her future work hours and wages will differ from prior work patterns, the CWD shall not use the prior work patterns to determine the income for the QR Payment Quarter.

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Example: A teacher's aide works part time from September through June 5 of every year. Historical case data indicates that she has also worked every year through the summer as a tour guide at the zoo. She did not report the summer job on her QR 7. The CWD will need to look at the case file for prior work information and must clarify with the recipient whether she is working or will be working during the summer months, as she has in previous years. Only after clarification is obtained can the CWD determine what income is reasonably anticipated when determining the food stamp benefit amount for the recipient.

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(b) Mandatory Mid-Quarter Changes to Benefits

Recipients may report mid-quarter changes in writing, verbally or in person to the CWD. If a recipient chooses to verbally report a mid-quarter change, the CWD shall document the report in the case file.

(1) Mandatory Recipient Mid-Quarter Reports

- (A) Recipients are mandated to report the following changes to the CWD within 10 calendar days of the date the change becomes known to the household:
1. For both PAFS and NAFS households, address changes and the accompanying shelter cost changes;
  2. For NAFS cases, any reduction in the number of hours worked to less than 20 hours per week or 80 hours per month for ABAWDs. Persons who are satisfying the ABAWD work requirement through a combination of education/training and employment of less than 20 hours per week are not subject to the mid-quarter requirement when hours of employment are reduced.

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(B) Action shall be taken on the food stamp case when the following mandatory CalWORKs changes are reported in the CalWORKs program:

1. Disqualifying drug felony convictions as specified in MPP Section 63-402.229;
2. Fleeing felon status;
3. Violation of conditions of probation or parole;
4. Income exceeds the IRT.

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- a. The CalWORKs IRT level is the greater of 130 percent of the FPL for family size or the level at which a family becomes financially ineligible.
- b. The CalWORKs Program is responsible for informing recipients of their individual IRT levels.
- c. The Food Stamp Program is responsible for monitoring the IRT change reported in the CalWORKs case and acting on the information as discussed in Section 63-212(d).

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(c) Action on Mandatory Recipient Mid-Quarter Reports

(1) Disqualifying Drug Felony Conviction, Fleeing Felon Status, Parole/Probation Violations

Food stamp recipients are not required to report a change in disqualifying drug felon status or fleeing felon status or probation/parole violations mid-quarter. However, if a CalWORKs household reports disqualifying drug felon or fleeing felon status or a parole/probation violation, the CWD shall be required to act on the reported information in the food stamp case. The CWD must discontinue the individual from the PAFS household at the same time CalWORKs discontinues the individual, at the end of the month after 10-day notice can be provided.



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(2) Change of Address – Move Out of State

This reporting requirement is applicable to both PAFS and NAFS households. A timely notice of action is not required if the CWD determines that the household will not be residing in the state. Action to discontinue the household shall be for the end of the month in which the change was reported. An adequate notice is required.

(3) Change of Address – Move Out of County

A PAFS household that moves out of county shall be discontinued from the prior county at the same time the transfer of the CalWORKs case is completed; the transfer is completed when the former county discontinues the CalWORKs case as specified in Section 63-503.7.

(A) NAFS households shall be terminated at the time an address change is reported in another county. (Continued)

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Example: PAFS Case

A household is currently living in County A. On February 5<sup>th</sup>, the household informs County A that she now lives in County B. Due to the CalWORKs transfer period, County A will continue benefits to the household until March 31<sup>st</sup>. County B will pick up the CalWORKs case on April 1<sup>st</sup>. FS benefits will be discontinued in County A on March 31<sup>st</sup> to coincide with the transfer period of the CalWORKs case. The household may reapply for FS benefits any time after moving to County B, but will not be eligible to receive FS benefits in County B until April 1<sup>st</sup>. County A is responsible for ensuring that the household can easily access FS benefits for February and March.

Example: NAFS Case

A household is currently living in County A. On February 5<sup>th</sup>, the household informs County A that she now lives in County B. FS benefits will be discontinued in County A effective the end of February and County A shall inform the household that a new application is needed in County B for food stamp benefits to resume.

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## (4) CalWORKs Income Exceeds the IRT

There is no mandatory mid-quarter recipient requirement to report income in excess of the IRT for the food stamp household. If the CalWORKs benefits did not change as a result of the report of IRT (the CalWORKs household was not discontinued), no further action is required in the PAFS case. However, for PAFS cases, if information regarding income that exceeds the IRT is reported in the CalWORKs program and results in discontinuance of CalWORKs benefits, the food stamp benefits must be recalculated as described below:

- (A) If the CalWORKs household reports income that exceeds the IRT, the CWD shall determine if the CalWORKs household's benefits will be continued or discontinued.
- (B) If CalWORKs benefits will be continued, no further action is required in the PAFS case.
- (C) If the CalWORKs cash grant is discontinued, households whose CalWORKs benefits are discontinued shall be processed for Transitional Food Stamp Benefits (TFS).

## (d) Voluntary Mid-Quarter Recipient Reports

Recipients may report mid-quarter changes in income and circumstances in writing, verbally or in person at any time during the quarter. The CWD shall only take mid-quarter action on those voluntary reports that result in an increase to benefits except as provided in Section 63-509(d)(8). Some mid-quarter reports that may increase benefits are, but not limited to, income decreases, someone moves into the home, an allowable deduction increases. If a recipient chooses to verbally report a mid-quarter change, the CWD shall document the report in the case file.

- (1) Action to increase benefits shall be effective in the month the change actually occurs or is reported, whichever is later, and after all verification has been received.
  - (A) If the change occurred prior to the date of report, recalculate and increase benefits based on the date of report after verification is received.
  - (B) If the change will occur in a future month, recalculate and increase benefits based on the date the change is expected to occur after verification is received.
- (2) Voluntarily reported changes may result in an increase in benefits for one program (CalWORKs), while decreasing benefits for the other program (Food Stamp Program). Action shall be taken to increase benefits in the one program, while suppressing the decrease to the other program's benefits.
- (3) Verification shall be requested immediately from the recipient when there is a decrease in income or a new household member is reported in the household, or for other changes that would require verification when benefits are increased. Action to increase benefits shall not take place until verification is received. The recipient shall be allowed 10 days to provide the requested verification.

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- (4) The effective date for increases in benefits is determined differently for increases due to decreased income than for increases due to adding household members. Those effective dates are as follows:
  - (A) Increases due to decreased income are effective the first of the month in which the change is reported or the month the change occurred, whichever is later.
  - (B) Increases due to the addition of new household members are effective the first of the month following the report of the change.
- (5) When a household includes two members with income and one member experiences a decrease in income, only the decreased income of the one member is used to recalculate benefits.
- (6) If there are different sources of income received by the household and a decrease is reported for one of the sources, the CWD shall recalculate benefits using only the income from the decreased source. The recalculated income shall be added to the existing averaged household's income.
- (7) A "No Change NOA" shall be sent to the recipient when benefits cannot be increased. The "No Change NOA" must be sent within 30 days of the reported change. The NOA must remind the recipient to re-report the change on the QR 7.

The NOA must remind the recipient to re-report the change on the QR 7.

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The QR 377.4 has language under the "No Change in Benefits" check box that informs households that any voluntarily reported changes must be reported again on the next QR 7 and supported with verification of the change.

CWDs have the option of beginning to process voluntary mid-quarter reports prior to the end of the quarter that do not result in a change in benefits. However, the CWD must ensure that the information reported on the QR 7 is consistent with the "no change report" and information reported by the household.

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- (A) If information on the QR 7 is inconsistent with what was previously voluntarily reported mid-quarter, action shall be taken to resolve the discrepancy and to determine the actual current household circumstances.
- (B) The discrepancy should first be attempted to be resolved by contacting the recipient. If this contact is not possible, the QR 7 shall be considered incomplete.

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- (C) If a Non-Assistance Food Stamp (NAFS) household voluntarily reports income over 130 percent of the Federal Poverty Level (FPL), the household shall be discontinued mid-quarter. Only voluntarily-reported income exceeding 130 percent of the NAFS household, excluding the mid-quarter report of a new household member and his/her income shall render the NAFS household ineligible (refer to Section 63-509(f)(4)(A)). Only voluntarily-reported income exceeding 130 percent FPL excluding the mid-quarter report of a new household member and his/her income, shall render the NAFS household ineligible [refer to Section 63-509(f)(4)(A)].

(e) Action on Voluntary Mid-Quarter Recipient Reports

To determine if the voluntary reported change results in increased benefits mid-quarter, a recalculation of benefits for the current and remaining months of the quarter using the new income that the household reasonably expects to receive is required. If the anticipated income will be different in each of the remaining months of the quarter and the recipient knows with reasonable certainty what the amount would be for each month, the new income shall be averaged for the current and remaining months in the quarter.

- (1) When the CalWORKs grant is supplemented, the new CalWORKs grant amount to be used in the FS budget will include the original CalWORKs grant, as well as the additional CalWORKs supplement.

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Example 1: A household of three is receiving cash aid of \$192 and FS benefits of \$165. The grant amount was based on the mother having earned income of \$1200 per month. In the April/May/June quarter, the mother reports on April 5 that she lost her job the day before. She will only receive one more paycheck that month for \$600, and anticipated no additional income after that. The CWD immediately requests verification of the job loss, and the recipient provides it by April 10. The CWD uses the new income to recalculate benefits for that month, as well as for the remaining months of the current quarter as follows:

Recalculation of averaged income:

\$600	(April Actual)
+ 0	(May anticipated)
+ 0	(June anticipated)
\$600	

Divide the total by 3 (the number of months for which new income is expected) = \$200 per month. After re-computing the current and remaining months in the Quarter, the new CalWORKs grant is \$679.

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Food Stamp Program Computation:

Average Monthly Income	200
Add New CalWORKs Grant	+679
Less Earned Income Deduction	- 40
Less Standard Deduction	-134
Subtotal	\$705

Less Excess Shelter Deduction	\$350
Net Income	\$355

New Allotment Amount	\$259
Benefits Received	-165
Supplement for April	\$ 94

Example 2: Using the same scenario as in Example 1, except that the mother reports on May 5<sup>th</sup> that she lost her job and will only get one paycheck for \$600 in May and expects no income for June.

Recalculation of averaged income:

+ \$600	(May actual/anticipated)
+ 0	(June anticipated)
$\$600 \div 2 = \$300$	

The new CalWORKs grant amount is \$642 after re-computation.

Food Stamp Program Computation:

Average Monthly Income	\$300
Add New CalWORKs Grant	+642
Less Earned Income Deduction	- 60
Less Standard Deduction	-134
Subtotal	\$748
Less Excess Shelter Deduction	-350
Net Income	\$398

New Allotment Amount	\$246
Benefits Received	-165
Supplement for May	\$ 91

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- (2) If decreased income is reported for the first time on the QR 7 rather than as a mid-quarter voluntary report, the CWD shall treat the report of decreased income as a voluntary mid-quarter report in order to determine if a supplement should be issued in the Submit Month.

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Household changes that occur in the Submit Month and are reported on the QR 7 will be considered voluntary mid-quarter reports, and acted upon as such.

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- (3) If a recipient has reported a voluntary mid-quarter decrease in income or increase in food stamp expenses, and the CWD has taken appropriate action to increase the cash aid and/or FS benefits, the CWD shall not take action to adjust benefits again if the recipient reports the same change later in the quarter.

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The household includes a mother and two children. The mother was working full-time and receiving \$1200 per month gross earnings. On May 5 of an April/May/June quarter, the mother reports that she lost her job and expects to receive one last paycheck in May for \$600 and no income for the month of June. The CWD recalculates benefits for May and June, using \$300 per month gross income (the new averaged income amount), and issues a food stamp supplement to the household for May and increases the June allotment. In June, the mother calls her worker and reports that she will not receive any income in June. Since the zero income amount has already been taken into consideration when calculating May and June benefits, the CWD would not act on the mother's report of "decreased" income in June.

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- (4) In any instance where two or more changes are reported to the CWD at the same time, the CWD must evaluate each change separately and according to the sequence of occurrence, keeping in mind the timing of when benefits can be increased based on decreased income and new household members being added to the household unit. The evaluation of separate events is also applicable to reports of mandatory reports of changes.

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Example: A household consists of mother and one child. The QR Payment Quarter is January/February/March. A second child enters the home on January 5th and the mother loses her job on January 7th. Both changes are reported to the CWD on January 9th. The first change occurred on January 5th where the job was lost. Since this is a mid-quarter change, benefits can be increased mid-quarter. The second change occurred on the 7th with the second child entering the home. The child is eligible and is included in the household effective February 1st.

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(f) Household Composition Changes Reported Mid-Quarter

Recipients may voluntarily report changes in household composition at any time during the quarter. Action should only be taken on those changes that result in an increase to the household's benefits.

If the change results in increased benefits, action shall be taken to add the person effective the first of the month following the month in which the change was reported, after all verification has been provided. If it does not result in an increase, no action shall be taken to change the household's benefits until the following quarter.

- (1) The following are steps to be taken when a new person is reported in the home.
  - (A) Review eligibility for the new person in accordance with Food Stamp Program regulations as an initial step to determine if the new household member should be included as part of the household.
  - (B) If the new person should be included in the household, determine if the household meets all non-financial eligibility criteria.
  - (C) If the household meets all non-financial eligibility criteria with the addition of the new person, continue to determine if the new person has income that should be included in the benefit calculation.
  - (D) Run a test benefit calculation to determine if adding the person and his/her income to the pre-existing household's income would result in an increase or decrease to the household's benefits. Add the new person's income for the months in which they would be added to the household. The existing household's income shall not be reaveraged to include the new household member's income.

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- (E) When taking action to add the new person into the household, include the new person's income along with the household's pre-existing income to recalculate benefits for the month the person is added to the household and any remaining months in the quarter. The existing household's income shall not be reaveraged to include the new household member's income.
- (2) Adding a New Household Member Mid-quarter
- (A) When all verification is received, all eligibility factors are met and the addition of the new person results in increased benefits, add the new household member to the household and increase benefits to the household, as a mid-quarter change, effective the first of the month following the month in which the change was reported.
- (B) In any circumstance where the new household member has income, only that member's income is averaged over the remaining months in the quarter. The new household member's averaged income is then added to the existing household's averaged income to determine if benefits are to be increased or would result in a decrease mid-quarter. The new household member's averaged income is used to calculate benefits only for the months in which the new member is included in the household.

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Example 1: The CWD is currently aiding a two-person household consisting of a mother and child. The designated quarter for this example is January/February/March. The mother voluntarily reports in February that the father moved into the home in February and the father has no income. After establishing eligibility for the father, the CWD adds him to the household effective March 1.

Example 2: Same scenario as in Example 1 except the mother does not voluntarily report the father as moving into the home in mid-quarter. She waits until she submits the QR 7 in March to report that the father moved in during February. The CWD would add the father to the household effective the first of April.

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- (3) Household Composition Change Results in Decreased Benefits
- (A) If the result of a new person reported in the household decreased benefits, no action shall be taken to decrease benefits mid-quarter. A NOA shall be sent to the household informing them that the voluntary report of the new person did not increase benefits. The NOA shall remind the household to report the new person and any income or property he/she has on the next QR 7.



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1. The CWD shall treat notification of a recipient death mid-quarter as a voluntary recipient report for discontinuance of benefits for the deceased individual. If the information was received verbally, the CWD shall discontinue benefits at the end of the month in which timely and adequate notice can be provided. If the information was received in writing, the CWD shall discontinue at the end of the month with only adequate notice.

(B) Information reported on the QR 7 shall be used in the determination of eligibility and benefit level for the upcoming quarter. The earliest the benefits could be decreased is the first of the next Payment Quarter provided 10-day notice is given. Discontinuance of benefits for ineligibility shall occur at the end of the Submit Month.

(4) New Person Results in Financial Ineligibility or Ineligibility Due to Other Eligibility Factors

If addition of the new person would render the household ineligible mid-quarter, no action shall be taken to change the household's benefits. A NOA shall be sent to the household informing them that the voluntary report of the new person did not increase benefits and that the household is responsible for reporting the new person and his/her income/property on the next QR 7. The earliest that food stamp benefits can be discontinued is the end of the Submit Month.

(A) Only voluntarily reported income exceeding 130 percent of FPL of the NAFS household, excluding the mid-quarter report of a new household member and his/her income, shall render the NAFS household ineligible per Section 63-509(d)(8).

(g) Voluntary Recipient Request for Discontinuance of Benefits

Benefit adjustments shall be made mid-quarter when a recipient requests discontinuance of benefits. A recipient may voluntarily request mid-quarter that the entire household be discontinued; or for any individual member of the household who is no longer in the household.

(1) Recipient Makes a Verbal Request for Discontinuance of Benefits

A verbal request shall require that a 10-day notice be sent before discontinuance or a decrease in benefits can be made at the end of the month. A written request shall require that an adequate notice be sent at the end of the month.

(2) Recipient Makes a Written Request for Discontinuance of Benefits

A voluntary mid-quarter report of someone leaving the home shall not be assumed to mean that it equates to a voluntary request for discontinuance of the household member. A determination must be made to determine whether the voluntary mid-quarter report of someone leaving the household is actually a request of discontinuance by contacting the household to clarify the report and to inform the household that a discontinuance of the individual will result in decreased benefits mid-quarter. Discontinuance of the individual shall occur only if he/she is out of the home or is considered a separate household member.

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## (h) County-Initiated Mid-Quarter Actions

In addition to making mid-quarter adjustments to benefits as a result of mandatory and voluntary recipient reports mid-quarter, action shall also be taken on certain changes in eligibility status at the end of the month in which timely and adequate notice can be provided to the household.

## (1) Changes Resulting in County-initiated Actions Mid-Quarter

The changes that are considered county-initiated and that can occur at any time during the quarter:

- (A) Sanctions or financial penalties;
- (B) Failure of the household to comply with a Quality Control Review.
- (C) Benefits are applied for and approved for a household member in another household or for the household;

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Example 1: Current quarter is Jan/Feb/March. The current food stamp household consists of a mother and two children. On February 4th, one of the children goes to live with grandmother. Grandmother comes in to apply for food stamps for the child on February 5th. Since duplicate aid cannot be authorized for the child now living with the grandmother, the child must be deleted effective the end of February with a 10-day NOA from the mother's food stamp household, and aid will be authorized effective the first of March for the grandmother and the child. The application for February will be denied for the child; however, if the grandmother was eligible, aid would be granted for her.

Example 2: Current quarter is Jan/Feb/March. The current food stamp household consists of a mother and two children. On February 4th one of the children goes to live with grandmother. Grandmother comes in to apply for food stamps for the child on February 25th. Since duplicate aid cannot be authorized for the child now living with the grandmother, the child must be deleted effective the end of March with a 10-day NOA from the mother's food stamp household, and aid will be authorized effective the first of April for the child. The application for February and March will be approved for the grandmother if eligible, and denied for the child.

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- (D) Discontinuances due to the termination of a CalWORKs inter-county transfer as described in Section 63-503.7;
- (E) Status changes in the California Food Assistance Program (CFAP).

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- (F) Cost-of-Living adjustments (COLAs) for the Food Stamp Program, CalWORKs, General Assistance and for those COLAs administered by the Social Security Administration.
  - (G) Adjustments due to erroneous or incomplete recipient QR 7 or mid-quarter reports of information or lack of action by the county on the QR 7 or mid-quarter recipient reports.
  - (H) The three-month time limit for an ABAWD ends or an ABAWD who has regained eligibility and subsequently stops meeting the work requirements.
  - (I) Discontinuance due to an ineligibility determination when recertification falls outside the Submit Month.
- (2) County-Initiated Actions To Be Taken at the Beginning of the Quarter
- An exception to mid-quarter county-initiated actions occurs when adjustments/reductions to benefits are begun for recoupment of an O/I per Sections 63-801.44 and .45. This action shall be taken at the beginning of a quarter.
- (3) Known to County Information
- (A) Use of Known to County Information
- Information that is "known to county" and is considered information that is subject to mandatory reporting shall be used to:
- 1. Calculate an OI when the information received is obtained after benefits have been issued, such as in the case of Income and Eligibility Systems (IEVS) matches; and
  - 2. Take prospective action to change benefits mid-quarter or at the beginning of a quarter if information reported by the recipient does not accurately reflect a mandatory mid-quarter report of information or information reported on the QR 7.
- (B) CWD Action on Public Assistance (PA) Changes Known to CWD
- 1. Changes to PA benefits shall be considered information that is known to county.
  - 2. All changes to PA benefits shall be reviewed by the CWD for possible benefit increases or decreases by calculating a new budget.
  - 3. Food stamp benefits shall be increased if the calculation indicates such an increase.
  - 4. If a mid-quarter decrease is indicated, benefits cannot be decreased.

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Example 1: A county becomes aware that the CalWORKs grant has decreased mid-quarter. The CWD will calculate the impact on food stamp benefits to determine if benefits can be increased or decreased. If the calculation indicates an increase, the CWD will supplement/increase benefits. Benefits would not decrease mid-quarter. **This is an exception to the general QR rule that do not permit an increase to benefits mid-quarter unless they are reported by the household as described in the next example.**

Example 2: A county becomes aware of known to county information that UIB being budgeted is exhausted. There are two months remaining in the QR Payment Quarter. The county will not act on this information to increase benefits. The recipient must report that UIB is ending before benefits can be increased mid-quarter.

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- (C) CWDs shall not act on information “known to county” that is not required to be reported, even if benefits could be increased mid-quarter based on the given information. The recipient must report a change before benefits will be increased.
- (i) Third Party Information
- Third party information is not known to the county and is a report from an anonymous source about a household’s circumstances.
- (j) CWD Action on Information Obtained from Match Systems
- (1) The CWD shall consider information received from match systems such as the Income and Eligibility Verification System (IEVS), the Payment Verification System (PVS), and other such sources for purposes such as:
- (A) To determine if information reported on QR 7s is accurate;
- (B) To determine if a fraud referral or an overissuance claim/adjustment is necessary;
- (C) To determine if clarification of current eligibility is necessary.

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The following examples apply only to Public Assistance households:

Examples of Match Systems information include, but are not limited to: Eligibility Verification System (IEVS), Payment Verification System (PVS), Integrated Fraud Detection/Earnings Clearance System (IFD), Franchise Tax Board (FTB), Asset Match/Internal Revenue Service (IRS) Match, Beneficiary Earnings Exchange Record (BEER), New Hire Registry (NHR), other matches from special investigative units, and known information from CalWORKs or other assistance programs.

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(k) Resolving Conflicting Information Based on Third-Party/Known to County Reports

The recipient shall be contacted and informed that eligibility information is in question. The recipient shall be given the opportunity to verify the correct circumstances before action is taken to reduce/correct benefits. Action shall not be taken mid-quarter based on third party information regarding changes that the household is not required to report during the quarter.

(l) Treatment of Multiple Changes Within A QR Payment Quarter

Multiple changes during a QR Payment Quarter shall be acted upon in accordance with QR/PB rules for mandatory and voluntary recipients reports, and on county-initiated and third-party reports. Each change shall be acted upon separately, using the rule that is unique to that type of change. Circumstances shall not be combined to effect a change in benefits.

A household may voluntarily report a change that does not result in an increase to benefits, and later in the quarter, report another change that was required to be reported, which would result in a decrease to benefits. A change shall not be made to benefits based on the voluntary report; however, benefits shall be decreased later based on the mid-quarter report. The decrease in benefits shall be based solely on the circumstances resulting from the mandatory report.

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Example 1: The quarter is January/February/March. On January 15, the household reports that the father moved back into the home, and he has a part-time job. In reviewing whether the household would be entitled to an increase as a result of new household member, the CWD determines that earnings from the father's job would result in a decrease to the household's benefits. The CWD is unable to add the father to the household the first of February because QR/PB rules do not allow for benefits to be decreased as a result of a voluntarily reported mid-quarter change.

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**HANDBOOK CONTINUES**

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On January 17, the household reports that the mother violated conditions of her parole. The CWD must take action to remove the mother from the household effective January 31, because she is ineligible. The CWD decreases benefits to the remaining household members effective February 1. When decreasing February benefits, the CWD may not take action to add the father and his earned income at the same time as discontinuing the mother. The CWD may only take action to add the father and his income at the beginning of the next QR Payment Quarter when the household has submitted the QR 7 for February, reporting that the father is still in the home and has the same level of income.

Example 2: The current payment quarter is January, February, and March. The household consists of a mother and child. The mother reports that the father, who is earning \$900, moved into the home on January 10<sup>th</sup>. Adding the father from February 1<sup>st</sup> reduces benefits to the household, so the father must be evaluated for the upcoming payment quarter (April, May, and June). The father loses his job on February 10<sup>th</sup>. The mother reports the father's job loss on February 13<sup>th</sup>. The new report is that father is requesting to be added and he has reduced income. The change in circumstances caused by the job loss is a new mid-quarter report. The father can now be added to the household effective March 1<sup>st</sup>.

**HANDBOOK ENDS HERE****(m) Changes Held Until Next Quarter**

Changes that occur in the current quarter but shall not take effect until the upcoming QR Payment Quarter include: third month reporting of a new household member that increases benefits and adjustments to begin collection of O/Is.

**(n) Restorations and Reapplications Under QR/PB**

- (1) When a household has been sent a discontinuance notice and the effective date of the discontinuance is pending and the circumstances that made the household ineligible have changed, benefits shall be reinstated and the discontinuance rescinded.
- (2) When an application has been denied or the case discontinued, the household must reapply for benefits and be treated as a new applicant. Benefits shall be prorated from the new application date.

NOTE: Authority cited: Sections 10553, 10554, 11265, 18901.3, 18904, and 18910, Welfare and Institutions Code; Reference: Sections 10554, 11265.1, .2, and .3, 18901.3, 18904, and 18910, Welfare and Institutions Code; and Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) [ 7 U.S.C. 2014(e)(6)(C)(iii)].