



Food and  
Nutrition  
Service

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DATE: October 21, 2022

SUBJECT: Updates to the Food and Nutrition Service (FNS) Handbook 310,  
Supplemental Nutrition Assistance Program (SNAP) Quality Control  
(QC)Review Handbook, QC Policy Memo: 23-01

TO: All SNAP State Agencies  
All Regions

This memo transmits technical updates to specified sections of Chapters 1, 3, 6, 7, 13 and Appendix A of the FNS Handbook 310 currently issued through QC Policy Memo 23-01. These changes include:

- Chapter 1:
  - Section 130 Definitions:
    - Added types of special provisions under prospective budgeting
    - Removed the term ‘self-employment’ found under special provisions for retrospective budgeting; and
    - Added ‘Review Periods’ to the definitions.
  - Section 154.3: Clarified language regarding the annotation of QC reviews in eligibility case records; and
  - Section 154.4: Reorganized section and added a note.
- Chapter 3:
  - Section 321 Added note to clarify the review process when a household was not issued an EBT card.
- Chapter 6:
  - Section 610: Corrected hyperlink.
- Chapter 7:
  - Section 725: Clarified the process when a mandatory report is missing.
  - Section 726.1: Further explained zero dollar allotments.
  - Section 726.4: Clarified the process for missing periodic reports and added a linked section.
  - Section 726.5: Clarified exclusionary periods for income incorrectly reported and provided an example.
  - Section 751: Clarified that periodic reports are only for simplified reporters with certifications longer than six months; and
  - Section 752: Added “AORD” and examples to clarify the review.
- Chapter 13
  - Section 1360: Clarified the review of over income negative actions.
- Appendix A:
  - Added the FY 2023 error tolerance threshold amount.

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- Replacement pages for the cover and spine

The page control chart below is for replacing pages in paper copies of the Handbook 310.

**PAGE CONTROL CHART**

| <b>Remove Pages</b> | <b>Date</b>                                        | <b>Insert Pages</b> | <b>Dated</b>                                       |
|---------------------|----------------------------------------------------|---------------------|----------------------------------------------------|
| Cover               | October 2021<br>Through<br>QC Policy<br>Memo 22-03 | Cover               | October 2022<br>Through<br>QC Policy<br>Memo 23-01 |
| 1-7 to 1-8          | 2-3-22 (Change 1)                                  | 1-7 to 1-8          | 10-21-22 (Change 3)                                |
| 1-9 to 1-12         |                                                    | 1-9 to 1-12         | 10-21-22 (Change 3)                                |
| 1-13 to 1-16        | 2-3-22 (Change 1)                                  | 1-13 to 1-16        | 10-21-22 (Change 3)                                |
| 3-1 to 3-2          | 2-3-22 (Change 1)                                  | 3-1 to 3-2          | 10-21-22 (Change 3)                                |
| 3-3 to 3-6          |                                                    | 3-3 to 3-6          | 10-21-22 (Change 3)                                |
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| 7-22                | 2-3-22 (Change 1)                                  | 7-21 to 7-22        | 10-21-22 (Change 3)                                |
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| 7-39 to 7-40        |                                                    | 7-39 to 7-40        | 10-21-22 (Change 3)                                |
| 13-13 to 13-14      |                                                    | 13-13 to 13-14      | 10-21-22 (Change 3)                                |

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|---------------------|----------------------------------------------------|---------------------|----------------------------------------------------|
| A-1 to A-2          | 6-10-22 (Change 2)                                 | A-1                 | 10-21-22 (Change 3)                                |
| Spine               | October 2021<br>Through<br>QC Policy<br>Memo 22-02 | Book Spine          | October 2022<br>Through<br>QC Policy<br>Memo 23-01 |

State agencies with questions should contact their respective Regional Office representatives.

Sincerely,

/s/

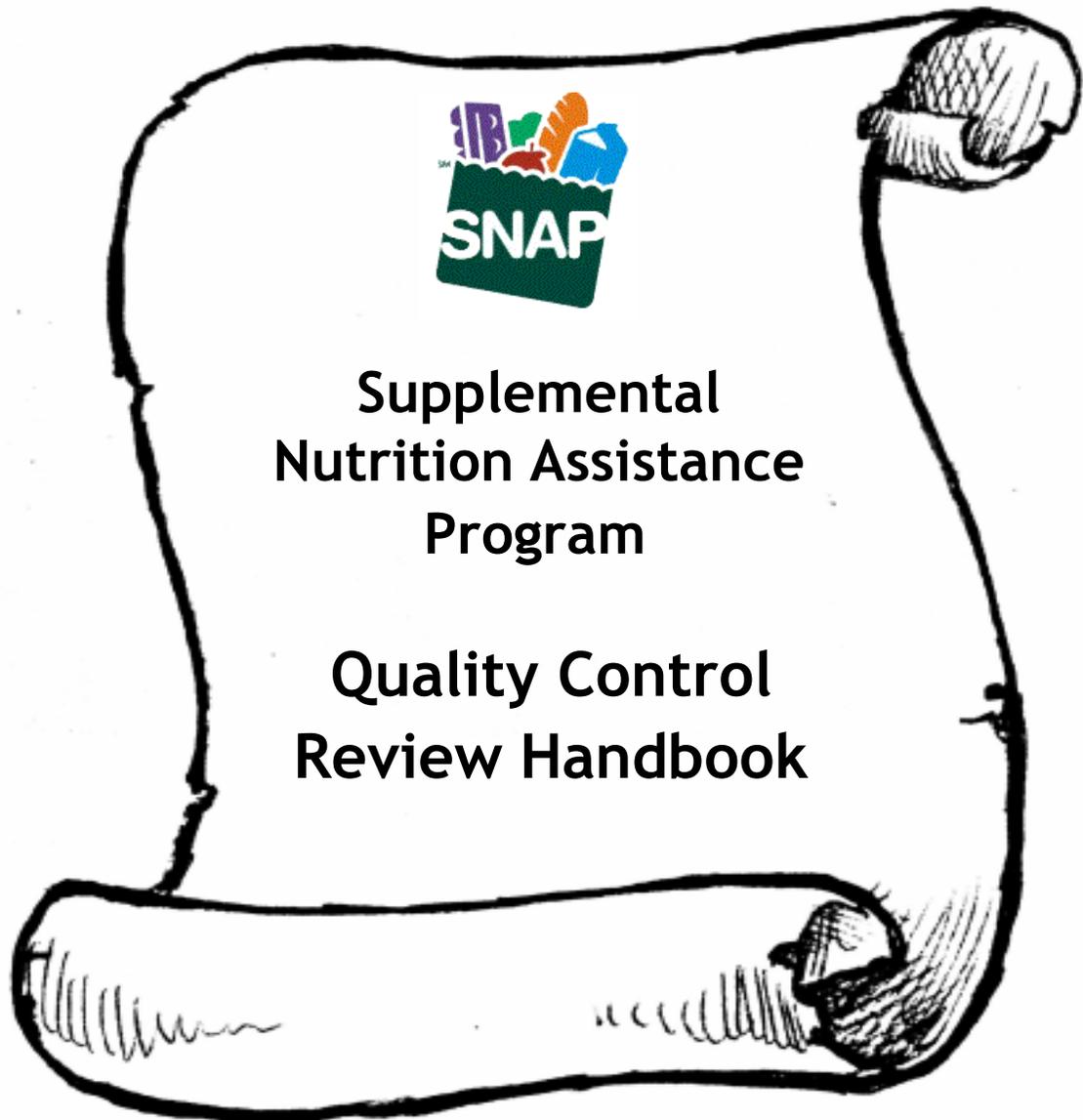
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Food and  
Nutrition  
Service

Alexandria, VA



**October 2022**

Through QC Policy Memo 23-01

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Effective fiscal year 2015, the error threshold is adjusted annually. The percentage of adjustment will correspond to the amount by which the Thrifty Food Plan (TFP) for the 48 contiguous States and the District of Columbia is adjusted. The value for the current fiscal year and previous years is located in [Appendix A](#).

**Government Assistance (GA)** - Cash or another form of assistance, excluding in-kind assistance, financed by State or local funds as part of a program which provides assistance to cover living expenses or other basic needs intended to promote the health or well-being of recipients.

**Initial Month** - The first month for which the household was certified for participation in SNAP following any period when the household was not certified. For an initial month, benefits are prorated from the day of application to the end of the month.

However, for migrant and seasonal farmworker households, the initial month is the first month following a period of more than 30 days in which the household was not certified.

**Interim Change** - A recalculation of SNAP benefits resulting from a change reported by the household, or a change the State agency becomes aware of through a source other than the household. Recalculations of SNAP benefits are required, dependent upon two things:

- The reporting system of the household as required in Federal regulation and State options, and
- the type of change either reported by the household or that the State agency becomes aware of through a source other than the household.

Specific guidance regarding each reporting system is provided in [Chapter 7](#).

**Exception:** Does not include *non-income* related mass changes.

Non-income related mass changes include, but are not limited to:

- Adjustments to Standard Utility Allowance (SUAs), and
- adjustments to Standard deductions.

**Note:** The recalculation does not have to result in a change to the allotment. In order to be considered an interim change under this definition, the certification record must document two things have occurred:

- A change is reported by the household, or the State agency becomes aware of the change, and
- the EW is required to act on the change, and the EW documented their decision that the household's allotment will not be affected by the change.

**Issuance Month** - The fiscal or calendar month for which the State agency issued a

SNAP allotment. A case's issuance month will always be the same as its QC sample month. In prospective budgeting, the budget month and issuance month are the same. In retrospective budgeting, the issuance month follows the budget month and the issuance month shall begin within 32 days after the end of the budget month.

**Likely Conclusion** - The use of information, other than standard verifications, that is used in conjunction with verified case record information, and that supports a reasonable judgement for a particular element or elements.

**Mass Change** - Certain changes initiated by the State or Federal government which may affect the entire caseload or significant portions of the caseload. These include changes in the eligibility and benefit criteria based on legislative or regulatory changes.

**Mitigation** - The act of attempting to lessen or decrease a QC error to reduce the impact of the error instead of accurately reporting the error. Corrections for policy or math errors are not considered mitigation.

**Negative Allegation** - Denial by a household regarding a circumstance related to their SNAP eligibility.

**Negative Case** - A household whose application for SNAP benefits was denied, or whose SNAP benefits were suspended, or terminated by an action in the sample month.

**Overissuance** - The amount of SNAP benefits the household was authorized to receive was greater than what the household was eligible to receive.

**Payment Error Rate (PER)** - The measurement of the accuracy of the active case review.

**Positive Allegation** - Acknowledgement by a household regarding a circumstance related to its SNAP eligibility.

**Processing Month** - The month between the budget month and the issuance month in a two-month retrospective budgeting system.

**Prospective Budgeting** - The computation of a household's SNAP benefits for an issuance month is based on income and other circumstances reasonably anticipated for that month.

There are special provisions for:

- Annualizing income
- Prorating educational monies and most contract income
- Averaging some deductions

**Prospective Eligibility** - An eligibility system in which the eligibility determination is based on income and other household circumstances reasonably anticipated for the issuance month.

10-21-22 (Change 3)

1-8

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**Public Assistance (PA)** - Any of the following programs authorized by the Social Security Act of 1935, as amended:

- Old-age assistance
- TANF
- Aid to the blind
- Aid to the permanently and totally disabled
- Aid to aged, blind, or disabled

**Note:** It does not include Supplemental Security Income.

**Quality Control Review** - A review of a statistical sample of active cases and negative actions to determine whether households are receiving the SNAP allotments to which they are entitled, and to determine whether decisions and/or procedural processes to deny, suspend, or terminate cases are correct.

**Recertification** - A certification action taken to authorize benefits for an additional period of time immediately following the expiring certification period.

**Record Retention** - The length of time a State agency must retain State QC files without loss or destruction. For any given fiscal year, all QC records (including the eligibility files relevant to those QC cases and any documentation or notes, including all applicable electronic files, that had an impact on how a QC case was finally determined by QC) must be retained for a minimum of three years following fiscal closure to meet federal record retention requirements. For States in liability status, record retention begins on the date the liability is resolved.

**Reporting Systems** - Households are required to report certain specified changes in their circumstances within FNS approved time frames and rules.

- **Change Reporting** - Households are required to report changes in household composition, changes in residence and the resulting change in shelter costs, acquisition of a licensed vehicle not fully excludable, a change in liquid resources that reach or exceed the resource limits, and changes in legal obligation to pay child support. All change reporting households must report the following changes in income:
  - a change in more than \$125 in unearned income, and
  - a change in the source of income - starting or stopping a job or changing jobs, if the change in employment is accompanied by a change in income, and
  - depending on the State options, States must choose an additional earned income reporting requirement that all households subject to change reporting must report:
    - **Certified Change Reporting with Status Reporting** - Households are required to report all changes in wage/salary rates and all changes in full-time or part-time employment status. Households cannot be certified for more than 6 months.

- Certified Change Reporting with \$125 a month Earned Income - Households are required to report changes of \$125 a month in earned income from the amount last used to calculate their allotment. Household cannot be certified for more than 6 months.
- Monthly Reporting - Households are required to submit a report following each budget month that is used to determine benefits for the corresponding issuance month.
- Quarterly Reporting - Households are required to submit a periodic report once a quarter to report any changes.
- Simplified Reporting - Households are required to report changes which cause their ongoing gross income to exceed 130% of the Federal income poverty level (FPL) for the household's size at the time of certification or recertification. Simplified reporting households certified under CE/BBCE with income over 130% FPL may have different reporting requirements depending on State policies. Simplified reporting households certified for more than 6 months must submit a periodic report between 4 and 6 months, as specified by the State agency. Households in which all adult members are elderly or have a disability with no earned income and certified for more than 12 months must submit a periodic report once a year. This report must inquire about changes in certain household circumstances.

All SNAP households must report the following items, regardless of the reporting system to which they are assigned:

- Able-bodied adults without dependents (ABAWD) subject to the time limit must report any changes in work hours that bring an individual below 20 hours per week, averaged monthly.
- Substantial Lottery and/or Gambling winnings- All SNAP households are required to report when they receive substantial lottery or gambling winnings.

**Retrospective Budgeting** - A budgeting system in which the computation of a household's SNAP benefits for the issuance month is based on actual income and deductions that occurred during the previous month or the month prior to the previous month, depending on State-selected options, with some exceptions. This budgeting system is only utilized for households certified under a Monthly Reporting and Retrospective Budgeting (MRRB) system.

There are special provisions for:

- Annualizing income
- Prorating educational monies and most contract income
- Averaging some deductions

**Retrospective Eligibility** - An eligibility system in which the eligibility determination is based on income and other circumstances, which existed in the retrospective budget month. This eligibility system is only utilized for households certified under a MRRB system.

10-21-22 (Change 3)

1-10

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**Review Date** -

**Active cases** - A day within the sample month, either the first day of the fiscal or calendar month, or the day a certification action was taken to authorize the issuance, whichever is later. Also known as "[AORD](#)."

**Negative cases** - Is either the date of the agency's decision to deny, terminate or suspend program benefits; the date on which the decision is entered into the computer system; or the date of the notice to the household, depending on the characteristics of individual State Systems and their ability to sample by specific negative action. States must identify their sampling process in their State SNAP sampling plan.

**Note:** The review date is never the date the QC review is conducted.

**Review Periods** -

**Sample Month** - All cases (100%) selected in a sample month must be disposed of and the findings released to FNS within 115 days of the end of the sample month. Refer to Section 190.

**Annual Review Period** - The QC review year coincides with a FFY, which begins October 1 and ends September 30 of the following calendar year.

**End of the Annual Review Period** - The end of the annual QC review period is 115 days after September 30, which is typically January 23. If January 23 falls on the weekend or the Federal government is closed that day, the annual review period for that year would officially end the next business day.

**Sample Month** - The month of the sample frame from which a case is selected. For active cases, sample month is synonymous with issuance month.

**Substantial Lottery or Gambling Winnings** - A cash prize won in a single game, before taxes or other amounts are withheld, equal to or greater than the SNAP resource limit for elderly or disabled households.

**Third-Party Contractors** - A third-party whom a State contracts with to perform certain functions such as training, manual writing, or business process redesign. If a State contracts with a third-party for SNAP purposes, please refer to [Section 154](#) of this Chapter for details regarding allowable and unallowable activities.

**Underissuance** - The amount of SNAP benefits the household was authorized to receive which was less than what they were eligible to receive.

**Universe(s)** - All units from which information is desired and a sampling frame can be constructed. There are two Universes for SNAP QC:

- **Active Universe** - consists of all households participating in SNAP

- except those listed in [Sections 331](#) through 338 and
- [Negative Universe](#) - consists of all actions to deny, terminate or suspend benefits except those listed in [Section 1332](#).

**Variance** - The incorrect application of policy and/or a deviation between the information used and the information that should have been used to authorize the sample month's issuance.

**Verification** - Establishment of the accuracy of specific elements of eligibility and allotment by securing documentary evidence and/or by making collateral contacts with individuals, other than members of the household under review.

**140 HANDBOOK MODIFICATION.** Use of this handbook is required for both State and Federal QC reviewers. There are sections within the handbook that allow for modifications due to FNS-approved waivers and State options. The reviewer must document any cases reviewed under modified procedures with the certification waiver name and number, as found in the SNAP Waiver Information Management System (WIMS). Documentation, in the appropriate element(s) for the modified procedure(s), must also include the waiver description or what it does and the period for which the applicable waiver was in effect, as it pertains to the case under review.

**150 ADMINISTRATION OF THE QC SYSTEM.** Each State is responsible for maintaining sound administration of all facets of the QC system. It is responsible for complying with the statute, regulations, this handbook, FNS policy memoranda, and the State agency's Plan of Operation.

**151 Implementation of QC Indexed Policy Memoranda.** FNS QC indexed policy memoranda must be implemented no later than the first sample month beginning 30 days after transmittal of the memoranda to the State agency.

**152 Contracted Activity.** A State agency may contract with another agency or office within the State to conduct QC activities only if it is regularly employed for this function (e.g., a State Inspector General's Office or a State Office of Audit). For those States in which QC is conducted by a contractual agency or office, all QC reviews must be completed following Federal regulations, approved waivers, State options, and this handbook.

**153 Staffing Standards.** In accordance with SNAP regulations, the State must employ sufficient QC staff to perform all aspects of the Performance Reporting System to ensure reviews are completed to meet reporting requirements, and to ensure the quality of the reviews.

**154 Avoiding Bias.** The QC review determines the accuracy of the eligibility and allotment for the sample month and is reflective of the State agency's determinations in the administration of each SNAP case. The reviewer must verify actual circumstances of the household in the sample month and evaluate the accuracy of the initial determination. Following applicable Federal regulations, FNS-approved waivers, and State options; the reviewer must independently arrive at a case finding without consideration of its impact on the payment error rate, and

case  
and procedural error rate.

When applying a FNS-approved waiver or State option, the same policy must be applied to all cases consistently within the State and not on an individual basis, regardless of whether or not the policy makes the case correct or incorrect. This ensures every household is treated equally. The reviewer must:

- fully document their findings
- explain the basis for their findings in each individual element
- show all computations and results
- attach copies of verification to support their findings for both active and negative cases, and
- ensure all facts are evident in the QC review record

Accomplishing the objectives of QC depends upon the successful operation of all facets of the QC subsystem. Specifically, it depends on:

- The integrity of the sample selected
- The training provided to reviewers on conducting reviews
- The skills with which the reviewers conduct reviews
- The accuracy and detail used by the reviewer to record their findings
- The completeness and accuracy of data analysis
- The correct use of appropriate corrective action planning
- The correct determination of liability for errors

The QC System must eliminate bias. Otherwise, the results will not be valid and will have little use in planning corrective actions.

### **154.1 Common Sources of Bias Include:**

- Reviewing cases with the intent to mitigate or lower errors
- Inadequate sampling techniques (see FNS-311, The Quality Control Sampling Handbook)
- Lack of objectivity on the part of the reviewer or State management
- Inappropriate involvement by the local office
- Inconsistent application of the statute, regulations, FNS policy or QC procedures
- Failure to follow the statute, regulations, FNS policy, QC policy, QC handbooks, and QC memorandums
- Non-completion of cases
- Inconsistent or inappropriate use of second-party reviews
- Inappropriate use of error review committees or any process used in the same manner during the review process

## 154.2 Unacceptable Bias in the QC System.

Prior knowledge by the reviewer of cases scheduled for review, resulting in treating cases differently, whether intentionally or unintentionally, makes the sample results unrepresentative of the whole caseload.

- A reviewer with prior knowledge is defined as an individual who has had:
  - any participation in the decision made in the case
  - any discussion of the case with staff who participated in the decision; or
  - any personal knowledge of, or acquaintance with, the household.

**Note:** Personal knowledge by a State staff member shall disqualify that worker from being able to be the case reviewer but the staff member may still be a collateral contact. Any contacts for those purposes must adhere to all rules pertaining to information sought and shared with any other collateral contact, as found in [Section 431](#).

Other actions that introduce unacceptable bias in the QC system include:

- The State or local agency adding documentation to, removing documentation from, and/or altering documentation from the official record of a sampled case
- Approaching the review with the intention of proving the case correct or incorrect. The QC reviewer must pursue all evidence in the case to arrive at the actual circumstances of the household
- Failing to interview the household appropriately to determine all of the household's relevant circumstances such as:
  - Failing to ask the household if there have been any changes in any elements of eligibility
  - Not inquiring about household management of expenses when income is less than expenses and all expenses are currently being met
  - Ignoring information from a collateral contact or household because it presents discrepant information that would have to be resolved.
- Not following all leads or questionable circumstances regardless if the verification and documentation requirements of the HB 310 have been met
- Structuring staff performance metrics to encourage under counting errors; specifically:
  - States must take precaution to ensure performance metrics do not introduce bias by encouraging or instructing the staff to find cases correct or mitigate errors
  - States must not incentivize staff to find the eligibility worker was correct in the initial determination
  - The State's error rate or number of payment error cases discovered by QC must not be a factor in the performance rating for reviewers

### 154.3 Unacceptable Involvement of the State Agency or Local Office and Policy Officials.

The following is not an all-inclusive list of unacceptable actions involving the State agency, local office, or State policy officials. Here are a few examples of activities that produce an unacceptable bias in the QC system:

- Prior knowledge by the State agency local office of cases scheduled for review.
- The State or local agency adding documentation to, removing documentation from, and/or altering documentation from the official record of a sampled case.
- Not completing cases that appear to contain a potential error when identified during the case record review or the field investigation.
- An eligibility or certification worker contacting a QC sampled household or collateral contact:
  - to obtain additional information in an attempt to clarify the household's circumstances
  - get statements to alter the findings of the QC reviewer, or
  - coerce the household into saying or doing anything that might misrepresent the household's circumstances
- The State or local agency asking or coercing a household or collateral contact to engage in any activity (such as not participating in the QC sample month and the two consecutive months) for the purpose of gaining a desired case disposition or finding in a QC review
- Requesting information from collateral contacts or non-household members in such a way as to encourage the person to not cooperate or not provide the requested information
- Reducing the household's allotment for the sample month because of an apparent overpayment on a sampled case
- Local offices must not review the cases, make the changes that would affect the eligibility or benefits for the cases, or contact the household or a collateral contact prior to the QC review being conducted in order to make any changes to the case once the sample is pulled/selected
  - This does not apply to routine case management changes such as filing household reports, acting on reported changes, issuing notices of expiration, or conducting recertification interviews. Normal case management activities should not be initiated or undertaken at an accelerated pace in order to affect the cases under review

- Contacting the eligibility or certification worker responsible for administering the case selected for QC review. This also includes contacting any additional eligibility or certification staff who participated in the certification action under review
- Contacting the eligibility or certification office responsible for administering the case about any reports shared with QC prior to submitting completed cases to FNS.
- Reviewing cases with the intent to mitigate or lower the error of a sampled QC case

#### **154.4 Acceptable Involvement of the State Agency Local Office.**

There are only three situations where it is acceptable for the State or local agency office to have limited involvement with the case or household during the QC review.

1. Completing normal case management functions that will not impact the documentation pertaining to the review and review timeframes under examination.
2. Adding documentation to the file that is result of efforts by an eligibility or certification worker to gain the cooperation of a household after being appropriately requested by QC.
  - Requesting assistance from a local office to locate or gain the cooperation of the household. In such situations, contact must be strictly limited to locating the household or gaining its cooperation with the QC reviewer and any documents produced or used to gain the cooperation of the household must be included in the case file.

**154.5 Acceptable Interaction with State Policy Staff.** State QC staff may contact State policy staff for clarification about general SNAP policy; however, case specific information cannot be discussed, including, but not limited to, the case number, client's name(s), or details about variances in the case that would allow someone to identify the household under review. The State QC reviewer must not discuss their case findings with an eligibility worker, policy official, or a third-party in a manner that can be construed as attempting to mitigate an error case finding. This means the communication with such persons must be limited to a clarification of the policy involved in the case. The reviewer must not discuss how the policy clarification can alter the findings of the case nor indicate how the policy clarification can be used to resolve an apparent error in the case being reviewed. Any clarification obtained for a specific case that is used to substantiate or decide the case must be fully documented in the case file.

**154.6 Unacceptable Second-Party Reviews.** If a State elects to implement second-party review procedures any substantive changes to the review must be represented in the QC review record. The following actions, which are not all

## Chapter 3

### CASE RECORD REVIEW

**300 GENERAL.** This chapter provides guidance on conducting a review of the household's case record, including documentation of verification contained in the case record. It also identifies cases that are not subject to review.

**310 PURPOSE OF CASE RECORD REVIEWS.** The purpose of active case reviews is to:

- Identify the status of each element of eligibility and benefit calculation as documented by the agency,
- Determine the amount of the allotment authorized for the sample month's issuance, and
- Identify any variances resulting from misapplication of policy by the agency.

**320 PROCEDURES FOR CASE RECORD REVIEWS.** Case record reviews consist of:

- Reviewing and analyzing the household's certification record,
- Reviewing verification and documentation, and
- Recording the findings on Form FNS-380.

QC must include all case record documents that impact the sample month benefits in the QC review record. This includes, but is not limited to:

- The application for certification or recertification
- Documentation from the most recent application/reapplication and any interim changes
- All case forms, and household notices
- All mandatory data matches run by eligibility
- All verification documents obtained from the client and all collaterals
- Comments/narratives
- Reports
- Screen shots for eligibility, issuance and participation, and
- Imaged documents

**321 Household Issuance Record.** The reviewer must review the household's issuance record(s) and determine if the household participated in the sample month in order to rule out cases that are not subject to review.

The reviewer must compare information on household size, the certification period, and the allotment indicated in the issuance records to that in the certification file

and must report any differences to the agency for corrective action on an individual basis.

EBT systems contain the account memory, which is held in a central databank, while EBT cards, which access EBT systems, contains the benefit information in the card's smartchip and must be updated each month.

The household is not considered to have participated in the sample month if benefits have not been posted to the EBT system or the household has not initiated activity that affects the balance of the household's SNAP EBT account, such as a purchase or return, in a three-month period, which includes the sample month. The three-months (91 days) may be any combination of months before or after the sample month so long as they run consecutive for 91 or more days and include the full sample month. Under these conditions, the review process stops because the case is not subject to review (NSTR). This must be documented in the QC review narrative summary.

Note: Reviewers must follow the procedures in this section for cases in which an allotment is issued to a household's EBT account, but the household was not issued an EBT card AORD. This will allow an accurate determination of if the allotment is subject to review or not for nonparticipation. Reviewers that encounter this situation should, after transmission to FNS, notify the local office of the EBT card issue as failing to provide an EBT card raises concerns regarding program access.

**322 Certification Case Record.** The reviewer must review the SNAP certification case record(s) and, as applicable, the Public Assistance (PA) case record(s). This includes, but is not limited to:

- Household circumstances
- Reported changes
- Certification actions
- Case notes/narratives
- Verification and documentation
- All applicable notices/communications to the household

QC may also review general assistance, Medicaid, and other available records if applicable.

If the reviewer is unable to locate any pertinent records, the reviewer must attempt to extrapolate the needed information from the certification record and record the findings accordingly on Form FNS-380. The FNS-Form 380 must be documented in sufficient detail and must provide enough information so as to clearly establish the information and how the information was determined.

**322.1 Household Circumstances and Certification Actions.** The reviewer must review all information applicable to the case as of the review date(AORD), including, but not limited to:

- The most recent application
- The most recent recertification application
- The most recent periodic report
- Interim changes
- The household issuance record
- Case notes/narratives
- Case documents and verifications
- All applicable notices/communications to the household
- The eligibility worksheet, and
- Any documented changes

The reviewer must become familiar with the household's situation, identify the specific facts related to eligibility and the benefit amount, and document any deficiencies and misapplication of policy.

**322.2 Documented Verification.** The case record may contain documents or statements acceptable as verification for the review. In order for the reviewer to use the verifications in the case record, the verifications and documentation of verifications used by the eligibility worker must be:

- Accurate,
- Not subject to changes,
- Cover the appropriate time period, and
- Not questionable.

**Example:** The eligibility case record contains a birth certificate (BC) of a 20-year-old daughter living in the household. The BC is considered accurate verification as an official public record, is not subject to change, and establishes facts that may be used for any time period. The BC can be used by the Quality Control Reviewer (QCR) to establish the daughter must be included in the SNAP household as she is under age 22.

Verification standards are outlined in [Chapter 5](#) of this handbook. Case record verifications meeting those standards may be used in the applicable elements of the QC review. The QCR must fully document any verifications used in the appropriate element(s) of the FNS-380, meeting the requirements of [Chapter 5](#) of this handbook for documentation. The QCR is not required to reverify this information during the field investigation but, again, must document the verifications used and relevant information needed as it applies to the case and applicable elements on Form FNS-380.

**323 Completion of Form FNS-380.** (See [Appendix B](#).) During the case record review, the reviewer must complete Form FNS-380 Column 2, Case Record Analysis. The information must be recorded in sufficient detail to enable another person to determine the facts of the case by reviewing Form FNS-380.

Documentation of Form FNS-380 must include all information that is utilized in the determination of the QC review. This may require documenting variances that will later be excluded due to, for instance, reporting requirements or State options, and documenting verifications that will be used for the review.

**323.1 Face Sheet.** This is page one of the Worksheet for SNAP's Quality Control reviews, which the reviewer must complete as detailed in the following four sections:

- Section A - Provide identifying information in items 1 through 14 from information in the case record
- Section B - List persons living in the home identified in the case record
- Section C - List significant persons not living in the home associated with the household and identified during the certification of the household
- Section D - Complete review findings at the conclusion of the review

**Note:** Additional information may be added during the course of the review in Sections A through C before completing Section D.

**323.2 Column 1 of the Worksheet - Elements of Eligibility and Basis of Issuance.** A 3-digit code is used to identify each element. For reporting purposes, elements are listed in Column 1 of Form FNS-380. Elements on the worksheet are grouped together under four main groupings called program areas.

| <u>Program Area</u>        | <u>Element Codes</u> |
|----------------------------|----------------------|
| Basic Program Requirements | 100s                 |
| Resources                  | 200s                 |
| Income                     | 300s                 |
| Other                      | 500s and above       |

**323.3 Column 2 - Analysis of Case Record Information.** The purpose of Column 2, Case Record Information, of Form FNS-380 is to:

- Provide the reviewer a consolidated location to record information contained in the case record, and
- Assist the reviewer in planning the field investigation.

The reviewer must record case information relevant to the most recent certification action and changes acted on as of review date and must use all information applicable to the case AORD, including the application and eligibility worksheet in effect AORD. It is important for the reviewer to:

- Note any pertinent items or questions as well as any discrepant information.
- Be aware of recorded factors which are subject to change.
- Note the reliability of sources used.
- Note any missing information.

Reviewers also use Column 2, Case Record information, to plan the field investigation to:

- Gain an understanding of the household situation, and
- Selectively highlight points to be considered and addressed in the field investigation

The information recorded in Column 2 must include the following:

- **Application Information.** The reviewer must record information provided by the household on the application by element. For elements that were left blank on the application but were required for an eligibility or allotment amount determination, the reviewer must document how the element was determined or, alternatively, that it could not be established how the eligibility worker (EW) arrived at the original determination.

**Examples of recording information from the application:**

Element 150 Household Composition: Application lists three - Jean Jones and her two children (Cheryl and Tom).

Element 221 Real Property: Application shows none.

- **Worksheet Information.** The reviewer must record the information contained on the certification worksheet/case notes and any worksheet information regarding incomplete actions for changes prepared by the EW. This would include documenting information that is incorrect or incomplete if that information was used, or appears to have been used, in the eligibility or benefit determination. This includes

**Examples of recording information from the worksheet:**

Element 344 PA: Application shows no PA. Worksheet shows PA payments of \$400 a month.

Element 363 Shelter: Application and worksheet show monthly mortgage payments of \$400.

Element 364 Standard Utility Allowance: Application shows monthly expenses of \$10.50 electric, \$25 gas and \$12 phone. Worksheet shows household was entitled to \$150 SUA.

documenting any missing information as well or documenting if the reviewer could not determine how information was established by the EW.

- **Verification.** The reviewer must record verification documented in the case file and attach copies of documentary evidence. Documentation must include the date verification was received and the time period for which the verification covers. If there is missing verification from the certification record it must be documented accordingly on Form FNS-380.
- **Other Information.** The reviewer must record all other information from the case record relevant to the case AORD. This includes case history information that impacts the household's circumstances and changes that were reported or otherwise became known to the State agency.
- **Misapplication of Policy.** The reviewer must record any misapplications of policy such as:
  - Failure to use the correct income
  - Incorrect conversion factor
  - Allowing an earned income deduction for unearned income
  - Allowing a medical deduction for members who are not elderly or disabled
  - Mathematical and transposition mistakes

**323.4 Computation Sheet.** Complete Column 1, Eligibility Worker Information, by recording the income and deduction figures the EW used to compute the allotment for the sample month.

**324 Ineligible Households.** During the case review, the reviewer may determine and verify that the household was ineligible. The reviewer can stop the review at that point if the determination is based on information obtained from the household. This provision does not apply for CE/BBCE households or other types of households eligible for the minimum or zero dollar allotment. If the information was not obtained from the household, the reviewer must:

- Resolve the difference to determine which information is correct.
- Re-contact the household and discuss the difference, unless the household cannot be reached or refuses to cooperate.

When resolving conflicting information, the reviewer must use their best judgment based on the most reliable data available and must document how the differences were resolved. Likely conclusion cannot be used to resolve conflicting information.

**330 CASES NOT SUBJECT TO REVIEW.** Certain types of cases (as listed below) should not be included in the QC sample. These cases are normally eliminated in the sampling process. However, if a reviewer receives a case that should not have been sampled, the following procedures must be used:

- Terminate the review at the point when a determination is made that the case is not subject to review
  - Complete items 1 through 7 and items 68-70 of Form FNS-380-1.

## Chapter 6

### ERROR DETERMINATION PROCESS

**600 PURPOSE.** The purpose of the error determination process is to determine whether each active case is eligible, eligible with an overissuance or underissuance, or ineligible for the sample month. The term “error” applies to the allotment. There is an error in the case if the household is ineligible. There is also an error in the case if the household is overissued or underissued. Only errors more than the current FY error threshold will be included in the official error rate for a State agency. The inclusion or exclusion of any variance in an element may affect the error determination process; however, a variance is not an error.

There are two parts to the error determination process, the eligibility test and the allotment test.

**610 THE ELIGIBILITY TEST.** The reviewer must first determine whether the household was eligible to receive the sample month issuance.

The reviewer must use the procedures in Chapters 5 and 7 through 11 to verify the household’s circumstances and to determine whether any variances found during the review are to be included or excluded. The procedures to be used depend upon the household’s eligibility system. This may be different from its budgeting system requirements. (See Chapter 7, [Section 726.1](#), special provisions for simplified reporting cases.)

If the household was ineligible for reasons other than exceeding applicable income limits, the error determination process is complete. In this situation the review is terminated before the household’s complete circumstances are established and

Column 2 is not completed. The allotment amount would be zero as the entire amount authorized for the sample month was in error. The reviewer would enter Code 4 in Item 8 and the amount of the authorized allotment in Item 10 of Form FNS-380-1 (see [Section 1230](#)). Column 2 of the computation sheet would be completed using the figures determined in the gross or net income test if the household appears to be ineligible due to exceeding applicable income limits.

**Example of a Household Failing the Eligibility Test:** Household consists of Bob, an able-bodied adult without dependents (ABAWD) that is subject to time-limited participation. Bob was correctly recertified in June, already used two of three countable months for time-limited participation, and he still had 16 months left on his 36-month tracking clock as of the recertification. Sample month is September of the same year. QC determines Bob has not worked since the first week of July when he worked 25 hours. Bob has fallen below the 20 hour per week ABAWD requirement and is determined ineligible for the month of September for exhaustion of countable months. The error determination process is completed and Column 2 is only partially filled out for the Sample month.

If the household is eligible, the reviewer must continue with the Allotment Test.

**Note:** For household's that are categorically eligible (including traditional, narrow, and broad based categorically eligible), the eligibility test is considered to be complete once the reviewer has determined categorical eligibility was properly conferred, as discussed in Chapter 8, [Section 846](#).

**620 THE ALLOTMENT TEST.** The allotment test may consist of a two-step process: Comparison I and Comparison II. The first allotment test, [Comparison I](#), is a comparison of an allotment computed based on verified sample month circumstances to the allotment authorized by the EW. The second allotment test, [Comparison II](#), is a comparison of the allotment based on actual verified circumstances based on the most recent certification action, excluding appropriate variances.

Prior to completing the allotment comparisons, the reviewer must verify the household's actual circumstances appropriate for the household's budgeting requirements. This means that all circumstances including household composition, income, and expenses must be verified and documented in Column 3 of the FNS-380 worksheet. The reviewer must document and verify all information using procedures found in Chapter 5 and Chapters 7 through 11.

The State is not allowed to complete a Comparison II without first completing Comparison I, except in Transitional Benefit cases (see [Section 727](#)).

**621 Comparison I.** The first comparison is made between an allotment computation based on actual, verified sample month circumstances, including allowable deductions, to the authorized allotment for the sample month. The reviewer must not determine whether there are any variances for the purposes of this comparison. All circumstances including household composition, income calculations, and expense calculations must be verified and documented as outlined in [Chapter 5](#).

**621.1 Compare Allotment Using Verified Sample Month Income and Deductions.** The reviewer must compute an allotment using actual, verified sample month income and allowable deductions (see [Chapter 11](#)). This figure must include any relevant annualized, converted, or prorated amounts, and any applicable standard (e.g., SUA, homeless shelter standard, etc.). As appropriate, income received and expenses paid on a weekly or bi-weekly basis must be converted to a monthly figure.

**621.2 Compare Computed Allotment to the Authorized Amount.** The reviewer must compare the allotment amount computed in 621.1 to the amount the eligibility worker authorized for the sample month.

**621.3 Recording of the Error of Finding and Amounts Less than or Equal to the Current FY Error Threshold in the Form FNS-380-1**

- Use the corrected worksheet figures for quarterly reporting elements in the error determination.
- Use established review procedures for elements on the quarterly report that are voluntarily reported by the household outside the quarterly report.

If the reviewer determines the household's quarterly report is missing, proceed to Section 751.

QC must use the correct system in completing the review of the household's case if:

- A household was subject to quarterly reporting but was not included in the quarterly reporting system, or
- a household was incorrectly included in the quarterly reporting system.

**726 Simplified Reporting.** The State agency has the option of establishing simplified reporting in lieu of change reporting requirements. Simplified reporting households certified for more than 6 months, except certain elderly or disabled households as described below, must submit a periodic report. In addition, households must also report certain changes outside of the periodic report.

Households in which all adult members are elderly or disabled and have no earned income that are certified for longer than 12 months must submit a periodic report once a year.

Under simplified reporting, households are required to report the following income changes outside of the periodic report:

- Changes that cause the household's actual ongoing total gross monthly income to exceed 130% of the poverty income guideline for the household size or
- Changes that cause the household's actual ongoing total gross monthly income to exceed the income limits for the program conferring CE/BBCE, as applicable under State options.

Simplified reporting households must also report the following changes outside of the periodic report:

- **ABAWD Changes:** Households with able bodied adults without dependents that are subject to time-limited participation must report when their average work hours fall below 20 hours per week, averaged monthly. See [Section 720.3](#). QC

must use the procedures for evaluating the correctness of Time Limited Participation as specified in [Section 850.7](#).

**Note:** Household member(s) who were not subject to ABAWD reporting requirements at the most recent certification action; but AORD, became subject to ABAWD reporting requirements, must be reviewed as an ABAWD from the point in time the change occurred.

- Receipt of substantial lottery or gambling winnings: Households must report when a member receives substantial lottery or gambling winnings. See [Section 720.4](#).

State agencies have the option to allow households to either report changes within 10 days of the date the change became known to the household or 10 days of the end of the month in which the change occurred. In other words, States can choose for households to report either 10 days before the end of the month or 10 days after the end of the month.

Whichever option the State chose, it must be applied consistently for all cases.

Variances that occurred prior to, or at the time of the certification action to authorize the sample month benefits must be included.

For information on handling unclear information see [Section 720.2](#).

**726.1 Variance Determination Related to Income Changes.** The reviewer must complete the [eligibility test](#) as outlined in Chapter 6. If the household is ineligible for any reason other than income, a budget calculation is not required and the entire authorized allotment must be reported as an error. However, when the variance is related to a change in income, the review cannot be stopped without a budget calculation because variances related to income require it.

**State Agency Action.** In all cases, any variance resulting from the agency acting incorrectly must be included in the error determination.

Below are the steps to follow regarding income changes to determine whether an unreported income change has occurred.

**Step 1:** Complete the first part of the allotment test as described in [Section 621](#) (Comparison I) using the actual verified sample month income (converted if required per regulation).

The result of this step is compared to the total authorized allotment for the sample month.

- If the result of Comparison I resulted in no difference or a difference below the

States have the option to set the reporting requirement for exceeding the 130% reporting requirement to either 10 days before the end of the month or 10 days after the end of the month in which the change occurred.

When the month prior to the sample month contains 30 days or less; the entire month prior to the sample month, and the entire second month prior to the sample month constitute an exclusionary period for QC purposes. The reviewer must determine the actual unconverted income from the 3<sup>rd</sup> month prior to the sample month in order to make an error determination on whether there is an includable variance due to a required reportable income change.

**Example:** The review month is July and the unconverted total gross income for the household size at time of certification exceeded 130%, the reviewer must examine the unconverted total gross income for June to determine if the income exceeded 130% and if so, do the same for May. If they both exceed the 130%, April is compared as the third month prior to the sample month because June and May constituted an exclusionary period under this State policy option and QC review exception. **Note:** if either June or May did not exceed 130% the determination of an unreported change stops there because there is no included reportable income change.

The following chart has been provided to help identify which sample months are affected by these circumstances that may require the examination of a third month.

| Month Prior              | Sample Month |
|--------------------------|--------------|
| February (28 or 29 days) | March        |
| April (30 days)          | May          |
| June (30 days)           | July         |
| September (30 days)      | October      |
| November (30 days)       | December     |

### Exception 2: 10+ day Notice of Adverse Action (NOAA) in State Policy:

Some State agencies have a NOAA period of 10+ days. The reporting requirement for exceeding the 130% limit is to report either 10 days before the end of the month or 10 days after the end of the month in which the change occurred .

In these circumstances, the entire month prior to the sample month, and the entire second month prior to the sample month constitute an exclusionary period for QC purposes.

**Note:** The reviewer is still required to compare the actual verified unconverted household income from the first and second month prior to the sample month to 130% of the poverty guidelines even though these months fall in the QC exclusionary

period. If the actual verified unconverted household income from either the first or second month prior to the sample month does not exceed 130% of the poverty

guideline then this reportable change would be excluded from the error determination. The reviewer must use all applicable includable variances related to all other elements and circumstances in the allotment test calculation and error determination. (See [Section 622](#) for how to complete the Comparison II calculation).

The reviewer must determine the actual unconverted income from the 3<sup>rd</sup> month immediately prior to the sample month in order to complete the allotment test described in [Section 622](#) and make an error determination.

**Note:** The following applies in all instances where a third month must be examined:

- If the actual unconverted income from the third month immediately prior to the sample month does not exceed the gross income standard, then:
  - The reportable change occurred within the second month immediately prior to the sample month and would be excluded from the error determination.
  - The reviewer will use the corrected EW amounts for all other elements and circumstances (see [Step 2](#)) in the error determination.
- If the actual unconverted income from the third month immediately prior to the sample month exceeds the gross income standard, then:
  - The reportable change has occurred outside of the timeframes for reporting and acting on changes and must be included in the error determination.

**Note:** If the benefit calculation results in a zero allotment; the household must not be determined as ineligible. The QC result would be an eligible case, with a zero allotment and reported as containing an over-issuance. This is also true for categorically eligible households of three or more.

**726.2 Simplified Reporting Reportable Income Change Charts.** The charts provided below are visual resources to assist the reviewer in following the steps as described in 726.1. Reminder: the income is not converted only when comparing the household income to the Simplified Reporting (SR) limit to determine whether there is a variance. When completing the allotment comparison budget computations, the income is converted as appropriate based on regulation.

**Note:** The charts in this Section are only used to determine whether a SR unreported required income change has occurred, after Comparison I has been completed and the comparison to the authorized allotment for the sample month resulted in a variance over tolerance.

**726.3 Simplified Reporting and Categorical Eligibility.** States have the option to require income reporting limits in addition to the regulatory 130% income reporting requirement. This means the State can require households to report when their income exceeds the income limit for the other program used to confer CE. If the State has implemented this option, QC must follow the steps outlined in 726.1 to determine whether there has been a reportable change, when that change occurred, and whether there is an includable variance. The steps in 726.1 are replicated by replacing the 130% reporting requirement with the appropriate limit per the State's policy. For example, two commonly used limits are 165% and 200%.

**Note:** The information in this section is only applicable to households who already exceeded 130% at certification. **Important to remember:** The State option to require an additional income reporting limit does not replace the simplified reporting income reporting requirement but is an option because of expanded categorical eligibility rules.

**Note:** Categorically eligible households, regardless of how they were granted CE, are not subject to the gross income test. However, the 130% income reporting requirement still applies under simplified reporting rules because the reporting requirement is not a gross income test in this situation. Therefore, the reviewer must follow the steps in 726.1 to determine whether a unreported income change occurred and whether the change must be included.

**726.4 Periodic Reports.** The simplified reporting rules for households granted a certification period longer than 6 months, require a periodic report, unless the household is elderly or disabled. Certification periods for elderly or disabled households can be 24 months and a periodic report will be required every 12 months.

When a periodic report is required, the form must contain questions regarding any changes to the household needed to determine a revised allotment prospectively moving forward. It is important to note that these are the change reporting requirements, but simplified reporting regulations require that these items also be reported by simplified reporting households on the periodic report, as applicable. This does not make the household subject to change reporting as they are not required to report these changes throughout the lifecycle of the certification, like change reporting households. Agencies are required to act on all reported changes listed on the periodic report or another reporting method.

**Note:** Any variance in any element resulting from incorrect reporting or agency inaction on reported information on the periodic report, must be included in the error determination. However, if the reviewer determines the household's periodic report is missing from the case record or was never returned, proceed to Section 751.

**726.5 Recertification Actions.** All SNAP households must recertify in order to continue receiving benefits. Any change that is reported incorrectly by a household assigned simplified reporting, including failing to report their income which exceeds

the reporting limit under simplified reporting, is an includable variance for error determination purposes. The same is true for reported changes acted or not acted upon correctly by the State. There is no exclusionary period for income incorrectly reported at the time of recertification. Whether the recertification month is the 1<sup>st</sup> or 2<sup>nd</sup> month prior to the sample month, the reviewer must use the unreported income from the recertification in the error determination (Comparison II) without obtaining information for months beyond the 2<sup>nd</sup> month. QC reviewers do not need to review any month prior to the recertification month to determine whether a reportable change has occurred.

Example: Household is recertified in September. The sample month is October and during the QC interview the reviewer determined there was unreported income during the recertification month. The household was required to report the income at the time of recertification. Therefore, if a Comparison II calculation is required, the unreported income must be included as a variance.

**726.6 Other Changes the Agency is Required to Act on in Simplified Reporting Outside of the Periodic Report.** QC must apply regulations and State options where applicable to include variances when the State agency is required to act.

For changes other than ABAWD hours, receipt of substantial lottery or gambling winnings, or income exceeding 130%, the State agency need not act if the household reports a change for another public assistance program in which it is participating, and the change does not trigger action in that other program but results in a decrease in the household's SNAP benefit. However, the State agency must act on all other changes reported by a household outside of a periodic report in accordance with one of the following two methods:

1. Any reported changes to determine if the change affects the household's eligibility or allotment in accordance with the regulations regarding State agency actions on changes, or
2. Action only on changes that cause a decrease when one of the following has occurred:
  - a. The household has voluntarily requested their case be closed.
  - b. The State agency has information about the household's circumstances considered verified upon receipt.
  - c. A household member has been identified as a fleeing felon, or probation or parole violator.
  - d. There has been a change to the household's PA grant, or GA grant in project areas where GA and SNAP are jointly processed.

**726.7 Unreported Household Members with Income AORD.**

Households are required to report when their income exceeds 130% for the household size at the time of certification. This section provides review instruction for instances when a new member joins the household and that person's income causes the household to exceed the 130% reporting threshold it was provided at certification.

**Note:** Households are required to report household composition accurately on the periodic report and at recertification. If a household does not report correctly, any variances related to the incorrect report must be included. See [Sections 726.4](#) and [726.5](#).

Comparison I should be completed as normal including all mandatory household members as of the review date (AORD). All verified income and eligible deductions for the sample month would be included in the budget calculation and compared to the allotment authorized for the sample month (please see [Section 621](#)).

- If the result of the comparison in this step results in no error or an error undertolerance threshold, the review is complete, and the result is reported as normal.
- If the result of the comparison in this step results in an error over the tolerancethreshold, the QC reviewer must then determine whether the total combined and unconverted income, including the new member's income, for the sample month exceeds the income reporting limit (130%) for the household size at the time of certification, without including the new member in the household size.
  - If the total unconverted income for the sample month does not exceed 130% for the certified household size, there is no reportable change and the reviewer would complete Comparison II to include or exclude the new household member as appropriate based on the State's policy options for the change in household size and income while also includingall other variances.
  - If the total unconverted income for the sample month does exceed 130% for the certified household size, the QC reviewer must then determine whether there is a required reportable change and when that change occurred (please see [Section 726.1](#)).

**Note:** When it comes to completing those steps due to a new member, the QC reviewer must include the unconverted income from the new member and compare the household's total unconverted income to the 130% income reporting requirement established at certification for the certified household size in each of the preceding months.

- If the QC reviewer determines that no reportable change occurredthen Comparison II is completed using the certified household size, excluding the new member and their income as neither change was required to be reported. However, all other identifiedincludable variances must be used to make corrections (see [Section 622](#)).

- If the QC reviewer determines that there was a reportable change due to the income of the new household member, QC must determine if the new member is a mandatory household member and:
  - If so, include the new member and their income in Comparison II.

**Note:** To complete Comparison II, the QC reviewer is required to verify any deductions that pertain to the new household member in the specific preceding month determined to be the month the household was required to report the income because the agency would have had to act on the required reported change to add the person and their income and deductions to the case, had the household correctly reported their income. The household member, their converted income, and all allowable deductions would be included in the Comparison II calculation. Once the comparison to the authorized allotment has been made, the lesser error between Comparison I and Comparison II would be reported as the final result.

**Note:** If the final result is a zero benefit, QC cannot cite the case as totally ineligible and stop the review, instead the result would be reported as a total over issuance.

- If not, include or exclude the income and the member based on the non-household or excluded household member as appropriate based on regulations and State policy options for non-household and excluded household members.

**727 Transitional Benefits.** Transitional benefits are an option a State may choose to provide to households when they leave TANF or to households with children leaving an eligible State-funded cash assistance program (SFCA) that is offered statewide. The TANF/SFCA case must be closed prior to the household's receipt of transitional benefits.

- A State may make this option available to “pure” TANF households (households in which all members were in receipt of TANF benefits), or
- A State may choose to provide transitional benefits to mixed TANF households (households containing both TANF recipients and members who are not receiving TANF benefits), and

- Incorrect implementation.

**741.1 Regulatory Changes.** When Federal SNAP regulations are changed, the implementation dates are specified in the regulations.

- For prospective eligibility and prospective allotments, the implementation date is that specified in the regulations.
- For retrospective eligibility and retrospective allotments, the implementation date is the first budget month that includes the implementation date.

**Example:** If the implementation date for a new regulation is January 1, the first allotment in a two-month, retrospective system is the March allotment.

This policy applies to all Federal SNAP changes unless otherwise specifically stated in the regulations except for adjustments to:

- Eligibility standards,
- allotments, and
- deductions that go into effect for all households at the same time.

See instructions in [Section 741.2](#).

Variances must be included in the error determination if they are a result of:

- Untimely application of changes as a result of a revision to regulations, in accordance with certification requirements, or
- incorrect implementation.

See [Section 756](#) for instructions regarding the 120-day variance exclusion period.

**741.2 Periodic SNAP Adjustments.** Federal adjustments to the eligibility standards, allotments, and deductions and any annual seasonal State adjustments to utility standards go into effect prospectively for all households at a specific point in time.

Variances must be included in the error determination that result from:

- Untimely implementation as defined by certification requirements, or
- Incorrect implementation

**741.3 PA Changes.** The State agency must change SNAP benefits in the same month as the PA change when it has at least 30 days advance knowledge of the amount of overall adjustments to PA payments. If the State agency has less time, it is required to make the SNAP change no later than the month following the PA change.

Variations that result from untimely processing, in accordance with certification requirements, or incorrect processing of SNAP changes must be included in the error determination.

This section also applies to GA mass changes if the State agency administers the GA program.

**741.4 Social Security and Other Federal Mass Changes.** State agencies are required to make SNAP changes to reflect cost-of-living adjustments (COLAs) and any other mass changes under Retirement, Survivors, and Disability Income (RSDI); Supplemental Security Income (SSI); veterans assistance under Title 38 of the United States Code; the Black Lung Program; and any other Federal programs when information on COLAs is readily available and applicable to all or a majority of those programs' beneficiaries.

- **Monthly Reporting Households.** These households are required to report income changes resulting from Federal mass changes (other than PA) on their monthly reports. The reviewer must handle such changes as any other income change that was required to be reported on the monthly report. Refer to [Section 723](#) on monthly reporting to determine which variances to include.
- **Non-monthly Reporting Households.** The State agency is required to automatically adjust the SNAP benefit level for households affected by these mass changes. Variations resulting from untimely processing, in accordance with certification requirements, or incorrect processing of SNAP changes must be included in the error determination. (The reviewer should check to see if the State agency's procedures provide for using a flat percentage rather than the exact amount of a Social Security or SSI change.) The SNAP change must be made no later than the second allotment after the change in income became effective. For retrospectively budgeted households, the change must not be made prior to the first budget month it became effective.

**Example:** An increase in SSI in January in a two-month retrospective system would be made when January becomes the budget month, i.e., March.

**750 OTHER INCLUDED AND EXCLUDED VARIANCES.** Refer to [Chapter 6](#) for the error determination process, Chapters 8-11 for errors by specific element.

**751 Missing Mandatory Report Forms.** Households certified under quarterly, monthly or simplified reporting (when certified for longer than six months) must file a complete mandatory report to continue receiving SNAP benefits. A household's failure to file a mandatory report form or filing an incomplete form results in termination from SNAP, following adequate timely notice. The reviewer must determine if the household failed to return the report or returned an incomplete report, if the State failed to send the report, or if the report was returned and is

missing. The reviewer must document the 380 worksheet with the case circumstances and documentation must clearly indicate which situation is applicable and how this was determined. The procedures used will depend upon which situation applies and are as follows:

**Household Fails to File a Mandatory Report Form or Submits an Incomplete Form:** If a household fails to file a mandatory report or returned an incomplete report then the reviewer must determine the household ineligible.

**State Fails to Send a Mandatory Report Form:** If a State fails to send a mandatory report form and continues to provide benefits to a household without requiring the mandatory report form then an error has occurred and the household must be determined ineligible for purposes of the QC review.

**Mandatory Report Form is Returned but Missing:** The reviewer must do the following if the mandatory report form was returned and is missing:

- The reviewer must verify household's circumstances for the missing report. Verified sample month circumstances must be compared to the information gathered for the missing report. If the difference in the allotment exceeds the error threshold, Comparison II will be examined using actual verified circumstances from the missing report
- Variances that result when there is a missing report must be included in the error determination, except specific variances described in [Sections 754-757](#)

**752 Expired Certification Periods.** The reviewer must determine a household ineligible when its certification period has expired, and the household was not recertified but continued to receive benefits. In instances where a household is receiving benefits but does not have a current active certification or did not submit a signed recertification application to authorize ongoing benefits, the reviewer must determine and document the circumstances of the case. This documentation should include whether the State sent all required recertification documents and followed required processes and should document the household's response/compliance with recertification requirements, if any responses were received. The reviewer must also document any facts of the case regarding why the household continued to receive benefits beyond the certification period.

**753 Expedited Service.** For expedited service cases, variances in elements for which verification was postponed are excluded provided the household's identity was verified and the verifications that were postponed were documented at the time of the expedited certification. Correctly postponed elements need not be verified by the reviewer.

Variances are excluded only for the verification that was postponed and the exclusion only applies to households in the sample month that were:

- Correctly processed under the procedures for expedited service, and

- entitled to expedited services (based on the application and, if applicable, the household's declaration during the interview).

**Note:** The exclusion of a variance does not apply if the certification record lacks sufficient documentation for the reviewer to determine the element was postponed under expedited procedures.

### 753.1 Documentation Requirements.

- Explain how QC determined the case was eligible for expedited services;
- Document the month(s) expedited service covers;
- Document the elements of eligibility of postponed verification and what verification was postponed according to the documentation in the certification case file; and
- Clear any discrepancies between determination of eligibility for expedited services based on the application and, when applicable, the household's declaration during the interview

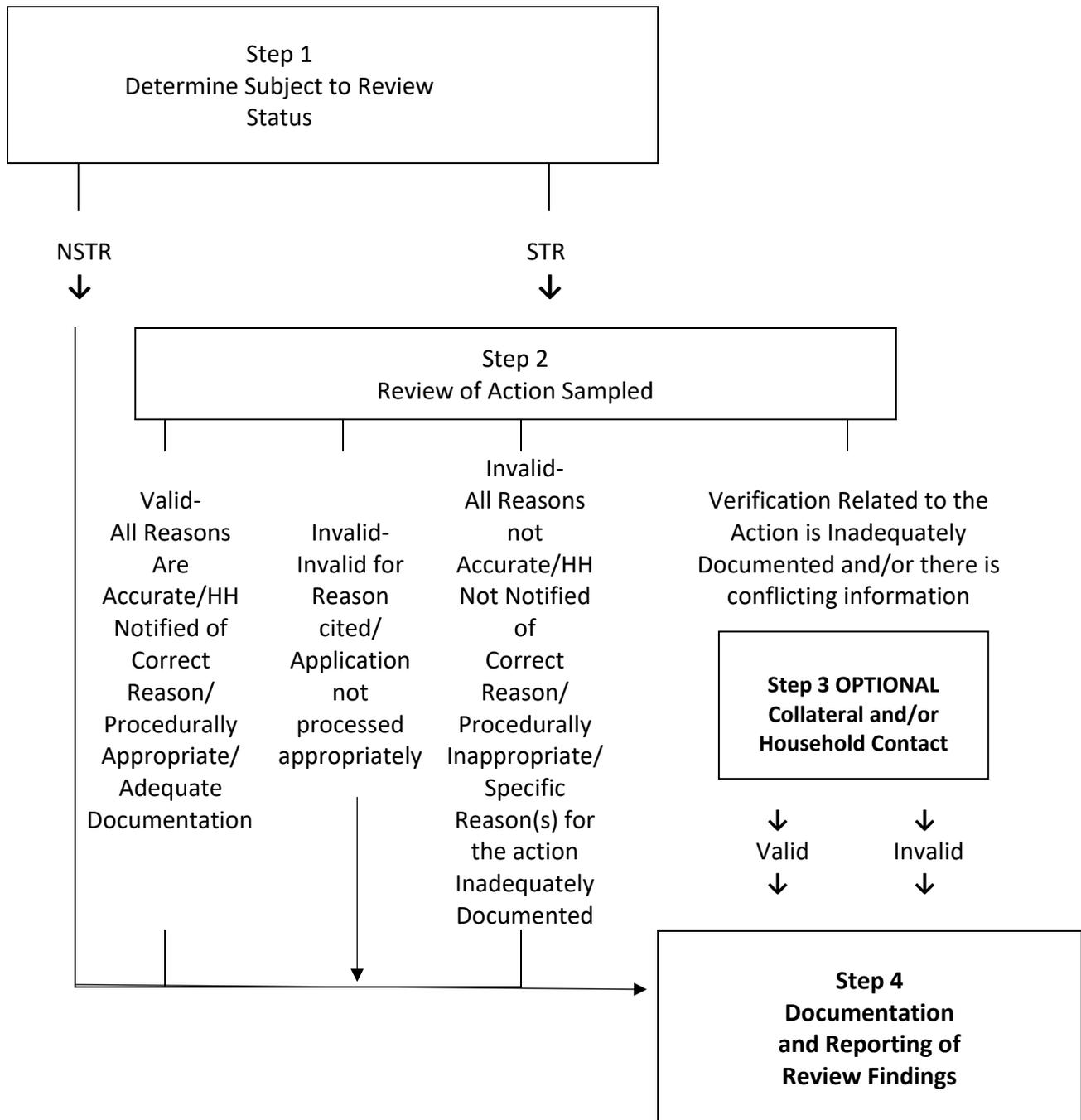
**753.2 Exclusion Applied to First and Second Month Issuance.** The provision that variances will be excluded in elements for which verification was postponed normally is applicable only to the first month's issuance. However, in some situations, the household applies after the 15th of the month and is entitled to both expedited service and waived verification for the first and second months' benefits. In such situations, the variance exclusion provisions of this section apply to appropriate elements for both of those months.

**753.3 Determinations Made After Application.** In some circumstances, a household may not be determined eligible for expedited service at the time of application, but later determined eligible during the interview. The provisions in this section apply, provided the cause for the change in expedited determination is based on one of the following reasons:

- The household was not determined eligible for expedited service at the time of application due to insufficient information on the application to make that determination, or
- The household's circumstances changed between the time of application and the time of the interview such that the household became eligible for expedited service after the application was submitted.

**754 Information from a Federal Source.** Any variance resulting from the State agency's use of inaccurate information provided by a Federal source is excluded provided that such information was processed correctly by the State agency. An appropriate Federal source is one which verifies: Income that it provides directly to the household; deductible expenses for which it directly bills the household; or

**Flowchart of Steps 1-4 of the Negative Review**



**1360 ACCEPTABLE DOCUMENTATION.** The case record may contain documents or statements that the reviewer may use as verification if the documentation is adequate and it applies to the appropriate time period.

- Examples of documents or statements that can be considered acceptable documentation are copies of official documents or reports; information on a signed application; electronic data; check stubs; receipts or full recording by a person, including the eligibility worker, who has secured information directly from public or other records.
- Acceptable documentation must clearly demonstrate ineligibility. For example, an action that has been denied for being over the gross income limit based upon earnings, must have a complete explanation including the earning figures (each week's pay, etc.) used to calculate the monthly earnings and must show the calculation/conversion. The State agency is required to verify income earnings to deny for over income. Denials for over income based on self-attestation must result in an invalid negative action.
- Documentation must be relevant to the time period under review. Outdated information (information from a time period that does not affect the current application or reapplication under review) or information that was not available at the time of the action is not appropriate documentation.

To determine whether the action and notice of adverse action are valid, the reviewer must verify the element(s) of eligibility pertaining to the action recorded and the notice, depending on the circumstances of each action and the information included in the case record. Documentation in the case record must be sufficient to support the reviewer's decision on the status of the action.

The first source of documentation in a negative case record may be a written statement made by the participant. Statements made by participants that are documented in the case record need not be verified unless it is mandatory verification. For example, if a household has been found ineligible because of its resources and the household's application reports resources that exceed the amount allowed, the reviewer need not verify the statement with the household. However, if the household is found to be ineligible due to excess net or gross income, the income must have been verified.

The reviewer need only verify information used to determine the validity of the decision to deny, terminate, or suspend the household and address the adequacy of the notice provided to the household.

## APPENDIX A

### SNAP QC Error Threshold

The SNAP QC review process includes an error threshold (QC tolerance level) for its active frame cases. This threshold determines which cases reviewed by QC will end up in the calculation of a State's official error rate. Prior to FY 2014, the threshold required a regulatory or legislative change for the threshold amount to be adjusted. However, in 2014, an act of Congress required the FY 2014 threshold to be used as a baseline for all fiscal years moving forward. For fiscal years 2015 and thereafter, the 2014 QC tolerance level is adjusted annually by the percentage by which the Thrifty Food Plan (TFP) for the 48 contiguous States and the District of Columbia is adjusted. This appendix will be updated annually with the revised threshold amount.

Cases with a final error allotment amount *less than or equal to* ( $\leq$ ) the threshold are not included in the calculation of a State agency's official error rate for that fiscal year.

Cases with a final error allotment amount *greater than* ( $>$ ) the threshold are included in the calculation of the State agency's official error rate for that fiscal year.

| <u>Fiscal Year</u>  | <u>Threshold Amount</u> |
|---------------------|-------------------------|
| 2023                | \$54                    |
| 2022                | \$48                    |
| 2021                | \$39                    |
| 2020                | \$37                    |
| 2019                | \$ 37                   |
| 2018                | \$ 37                   |
| 2017                | \$ 38                   |
| 2016                | \$ 38                   |
| 2015                | \$ 38                   |
| 2014                | \$ 37                   |
| 2013                | \$ 50                   |
| 2012                | \$ 50                   |
| 2010 - 2011         | \$ 25                   |
| 2009 (6 mo only)    | \$ 50                   |
| 2000 - part of 2009 | \$ 25                   |
| 1979-1999           | \$ 5                    |

#### **Important notes:**

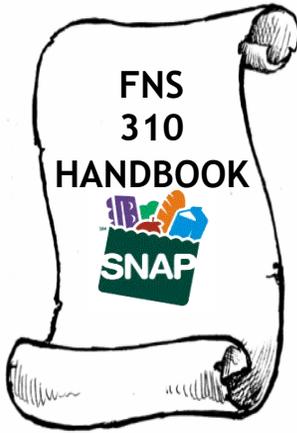
- All cases determined ineligible for SNAP as a result of the final QC review, regardless of the error amount, are included in the calculation of a State's official error rate.

All errors found during a QC review, regardless of its inclusion in the State's official error rate determination, must be cited and reported to the appropriate office(s) within the State agency that addresses SNAP overissuances, underissuances, and corrective action/improvement initiatives.

10-21-22 (Change 3)

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Guidance documents lack the force and effect of law, unless expressly authorized by statute or incorporated into a contract. USDA may not cite, use, or rely on any guidance that is not available through their guidance portal, except to establish historical facts.



October 2022

Through QC Policy Memo 23-01