STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

March 13, 1980

ALL-COUNTY INFORMATION NOTICE I-29-80

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP PROGRAM - INSTRUCTIONS FOR COMPLETING THE FORM FNS-209 AND DELETION OF THE FORM DFA 332

REFERENCE:

We have recently received several inquiries concerning the correct method of completing the Form FNS-209, Status of Claims Against Households, and whether the Form DFA 332, Claim Determination Report, is still required. As a result, we are providing counties with:

1. Comments regarding the use of the DFA 332;

2. Answers to questions regarding the completion of specific items identified on the FNS-209;

3. Instructions for the proper reporting of uncollectible claims on the FNS-209; and,

4. Line by line instructions for completing the FNS-209 (See Attachment).

In regard to the DFA 332, with the implementation of the 1977 Food Stamp Act, the DFA 332 has been replaced by the FNS 209 as the current form for transmitting fraud and nonfraud claim activities. Since several counties are still submitting the DFA 332 to FNS/WRO, counties should notify their claims staff that the DFA 332 is no longer required by FNS or state regulations.

Although the DFA 332 has been discontinued, several counties have indicated a continued need for the DFA 332 form to document specific claim information against a household, to prepare the FNS-209, and to also provide corrective action information for audit purposes. We do not discourage the use of this form for these purposes; however, since the DFA 332 is no longer printed by the State Department of Social Services, counties must assume responsibility for its continued use. It is recommended that counties wishing to revise the old form delete the obsolete sections and reidentify the revision as a county form.

In regard to the FNS-209, our All-County Letter No. 79-33 dated May 29, 1979, provided a series of questions and answers designating procedures for the proper completion of Form FNS-209. Based on new instructions from FNS, we wish to revise the responses to questions #4 and #7, and clarify the response to #10. These questions were stated as follows:

#4 Question: If a Form FNS-293 is being held pending receipt of a claim determination, how is the information about the refund entered on the FNS-209?

Answer: Cash refunds for overcharges are no longer permissible under the new regulations, so that Form FNS-293 should not be used. The entire amount of the pending claim prior to offsetting restored benefits or compromises, shall be entered on Line 3, New Claims Established During the Month. The amount of lost benefits due to the household shall be entered on Line 6 in the same month that the pending claim is reported as newly established.

#8 Question: What happens to a claim established and then compromised during the report month?

Answer: The entire amount of the claim, prior to being compromised, shall be entered on line 3. The amount of the claim which was compromised shall be entered on line 7a, Compromised Claims.

#10 Question: Should nonfraud claims of less than $35 be reported on the FNS-209?

Answer: Yes. Nonfraud claims of less than $35 should be entered on line 3 in the month that they are established. Then in the same month, transfer the claim to line 11, Balance of Suspended Claims at End of Month. In that way, any lost benefits due to the household can be offset against the claim.

We hope this information will be helpful in assisting your county to properly complete the Form FNS-209. If you have any further questions regarding this form, please contact your Food Stamp Program Consultant at (916) 322-5475.

Sincerely,

Kyle S. McKinsey

KYLE S. McKINSEY
Deputy Director

Attachments

cc: CWDA

ATTACHMENT

Instructions for Completing Form FNS-209,
Status of Claims Against Households

Line 1. Enter the dollar value of the balance due on active fraud and nonfraud claims, and the number of all active fraud and nonfraud claims, which were established prior to the month represented on the report.

Line 2. Enter the dollar value of the balance due and number of all claims that were suspended in prior months and have not been closed. The criteria for the suspension of fraud claims are designated in Section 801.34 and in Section 801.24 for nonfraud claims.

Line 3. Enter the dollar value and number of all claims established during the month, regardless of the disposition of the claim after it was established.

Line 4. For FNS use only. County agencies may complete this item at their option by adding together lines 1, 2, and 3.

Line 5. Enter the amount of all monies paid to the County on fraud and nonfraud claims during the reporting month. Any refunds made by the county agency to households because of a previous claim overpayment will cause a discrepancy between this line and the "Amount Sent To FNS". This discrepancy should be explained in "Remarks". The dollar value of any coupons submitted as repayment would also be included in this amount and explained in "Remarks".

Line 6. Enter the amount of lost benefits which were offset against recipient claims during the reporting month. These benefits shall include lost benefits due to households through their overpayment of the former purchase requirement for their monthly allotment. Households whose claims are currently suspended will likewise have their claim reduced by the value of lost benefits. In no case shall the offsetting of lost benefits against suspended claims affect the three-year suspension period.

Line 7a. Enter the amount by which claims were reduced during the month through compromises negotiated between the State agency and the food stamp household.

The criteria for compromising claims are designated in Section 801.512.

b. Enter the value of all claims which have been held in suspense for 3 years and now may be terminated. The criteria for terminating fraud and nonfraud claims are designated in Section 801.35 for fraud claims and Section 801.25 for nonfraud claims.

Line 8. For FNS use only. County agencies may complete this item at their option by adding together lines 5, 6, 7a and 7b.

Line 9. Enter the total number of fraud and nonfraud claims closed during the reporting month through:

a) lump sum payments,
b) completion of installment payments,
c) offsetting the full amount of the claim against lost benefits due to the household, and
d) termination.

The procedures for the disposition of claim records following closure are established in Section 63-201.6, Retention of Records.

Line 10. Enter the total value and number of fraud and nonfraud claims on which collection action is continuing, including those on which the required demand letter(s) have not been sent and those pending suspension.

Line 11. Enter the total value and number of fraud and nonfraud claims which remain in suspended status at the end of the month, including those suspended during the month.

Line 12. For FNS use only. County agencies may complete this item at their option by adding lines 10 and 11. Under the heading "Amounts", line 12 should equal line 4 minus line 8. Under the heading "Number of Claims", line 12 should equal line 4 minus line 9. All discrepancies should be explained under "Remarks".

Other: Space designated "State" in upper left corner of form: Enter the name "California" together with the name of the county for which the report is submitted.

The purpose of the FNS-209 is to report the county's monthly claim activity and to account for all monies collected by the county for fraud and nonfraud claims during the reporting month. If prepared correctly, the figures will balance and correlate to the reports of previous months. Under the "Amounts" heading, the line 4 subtotal represents the total balance of active and suspended claims at the beginning of the month and any new claims established during the report month. The line 8 subtotal represents the total amount of claims collected, compromised, or terminated during the reporting month. Line 4 minus line 8 will equal line 12, the total amount of active and suspended claims at the end of the month. Under the "Number of Claims" heading, line 4 minus line 9, the total number of claims closed in the month, will equal line 12. Any refunds, transfers or adjustments of claims between the fraud and nonfraud categories, or adjustments of claims that will cause the report to be unbalanced should be noted under "Remarks". Your agency may ignore the notation "FOR FNS USE ONLY" on lines 4, 8 and 23.

The amounts entered on lines 1 and 2, the balance of active and suspended claims at the beginning of the month, should respectively equal the amounts entered on lines 10 and 22, the balance of active and suspended claims at the

end of the month, from the previous month's report. If these figures do not correlate, the discrepancy should be explained under "Remarks".

There has also been some confusion regarding the procedures for processing claims established under the old food stamp regulations, and for reporting such claims on the Form FNS-209. The balance of all active claims shall be listed on line 2 "Balance of Active Claims at Beginning of Month", regardless of whether the claim was filed under the old or current regulations. Active claims filed under the old regulations shall be handled in the same manner as any active claim. Any claim established under the old regulations that is determined uncollectible should be reported once on Form FNS-209 under "Remarks". We recommend that counties cumulate all such outstanding uncollectible claims into one figure and report that figure once under "Remarks". All county agencies should identify and report that figure on the Form FNS-209 by May 1980. Following that report, all reported uncollectible old claims shall be considered closed and the normal record retention procedure shall be followed. Any county that has been reporting the amount and number of old uncollectible claims on line 2 of the FNS-209, "Balance of Suspended Claims at the Beginning of the Month", may close those suspended claims by reporting the cumulated amount under "Remarks" and the cumulated number of such claims that were closed in that month on line 9.

FORM APPROVED OMB NO. 40-R4067

U.S. DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE

STATUS OF CLAIMS AGAINST HOUSEHOLDS

INSTRUCTIONS: Each state agency shall prepare an original and 2 copies by the 30th day following the end of the calendar month. Submit the original to Finance and Program Accounting Division, Food and Nutrition Service, USDA, Washington, D.C. 20250. Submit copy 1 to the appropriate Regional office; copy 2 shall be retained for audit purposes. The report shall cover the State's activities relating to claims during the previous calendar month. This report must be submitted even if no payments are collected during the month. The state's consolidated check draft or warrant shall be attached to the original of the report if payments were collected during the previous calendar month.

STATE	AMOUNT SENT TO FNS $		MONTH	
	AMOUNTS		NUMBER OF CLAIMS	
	FRAUD	NONFRAUD	FRAUD	NONFRAUD
1. BALANCE FOR ACTIVE CLAIMS AT BEGINNING OF MONTH	$	$		
2. BALANCE FOR SUSPENDED CLAIMS AT BEGINNING OF MONTH				
3. NEW CLAIMS ESTABLISHED DURING MONTH				
4. SUBTOTAL *(FOR FNS USE ONLY)*	$	$		
5. AMOUNTS COLLECTED BY CHECK, CASH OR MONEY ORDER DURING MONTH	$	$		
6. AMOUNT COLLECTED BY OFFSETTING LOST BENEFITS TO BE RESTORED				
7. AMOUNT FOR WHICH COLLECTION ACTION WILL NOT BE PURSUED a. COMPROMISED CLAIMS				
b. TERMINATED CLAIMS				
8. SUBTOTAL *(FOR FNS USE ONLY)*	$	$		
9. TOTAL NUMBER OF CLAIMS CLOSED DURING MONTH				
10. BALANCE FOR ACTIVE CLAIMS AT END OF MONTH	$	$		
11. BALANCE OF SUSPENDED CLAIMS AT END OF MONTH				
12. SUBTOTAL *(FOR FNS USE ONLY)*	$	$		

REMARKS

I certify that the above information is true and correct.

DATE	TITLE	SIGNATURE

No further monies or other benefits may be paid out under this program unless this report is completed and filed as required by regulation (7 C.F.R. 273).

FORM FNS-209 (1-79)