

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



April 30, 2003

Regulation Package #0702-16

CDSS MANUAL LETTER NO. FS-03-02

TO: HOLDERS OF THE FOOD STAMP MANUAL, DIVISION 63

Regulation Package # 0702-16**Effective 5/1/03****Section 63-801**

This manual letter has been posted on the Office of Regulations Development website at http://www.dss.cahwnet.gov/ord/FoodStamps_618.htm.

The regulations change the procedure for the recovery of food stamp overissuances when recipients move to another county. Previously, when a recipient moved from County A to County B, County A initiated or continued an overissuance collection. If County A was unable to initiate an action, then County B initiated collection procedures and received the resulting incentive. These amendments, in all instances, require that County B initiate or continue the collection action until the overissuance is fully repaid or the recipient moves to a subsequent county. County B will report the collection and be entitled to any collection incentive.

These amendments to the Food Stamp program regulations benefit the Department of Social Services through increased collections. Counties will also benefit through increased overissuance collections and increased incentive funds.

These regulations were adopted and became effective May 1, 2003 and were considered at the Department's public hearings held on December 17 and 18, 2002.

FILING INSTRUCTIONS

Revisions to all manuals are indicated by a vertical line in the left margin. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Food Stamp Manual changes was FS-03-01.

Page(s)Replace(s)

455

Page 455

458 and 459

Pages 458 and 459

Attachments

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63-801 CLAIMS AGAINST HOUSEHOLDS (Continued)**63-801****.78 Interstate/Intercounty Claims Collection**

.781 In cases where a household moves out of state, the CWD shall initiate or continue collection action against the household for any overissuance to the household which occurred while it was under the state's jurisdiction. The CWD which overissued benefits to the household shall have the first opportunity to collect any overissuance. However, if the CWD which overissued benefits to the household does not take action to collect as soon as administratively possible, then the government agency which administers the area into which the household moves may initiate action to collect the overissuance. Prior to initiating action to collect claims against households which have moved into the state, the CWD shall contact the agency which overissued benefits to ascertain that it does not intend to pursue prompt collection. Once the CWD accepts responsibility, claim collection incentive and reporting shall be retained by the CWD which collects the overissuance, regardless of whether the household remains in the state or not, and all interstate transfers shall be reported to FNS.

.782 In cases where a household moves from one county to another within the state and

- (a) The household continues to receive food stamp benefits, the CWD in the former county of residence shall promptly transmit all overissuance information to the current county of residence. The current CWD shall initiate or continue the overissuance collection until repaid in full or the recipient moves to a subsequent county and that CWD takes responsibility for the collection of the overissuance, or
- (b) The household no longer receives food stamp benefits, the last CWD responsible for the initiation or collection of the overissuance shall continue to collect the overissuance until repaid in full.

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A household resides in County A and is not currently receiving food stamp benefits. However, there is an outstanding overissuance claim in which County A has established and is collecting against the household. Subsequently, the household moves to County B, applies for and receives food stamp benefits. County A still has an outstanding claim against the household. Upon issuance of food stamp benefits to the household by County B, County A promptly transmits all overissuance information to County B. County B shall now collect any outstanding overissuance in accordance with Section 63-801.

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.783 Claim collection incentives shall be paid to the CWD only for the overissuances recovered by that county.

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- .86 In cases where FNS has billed CDSS for CWD negligence, FNS will credit any amounts collected from households which were caused by the CWD's negligence.

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.9 Accounting Procedures

Each CWD shall maintain an accounting system for monitoring claims against households. At a minimum, the accounting system shall be designed to readily accomplish the following:

- .91 Identify claims by categories of inadvertent household error, administrative error, and intentional Program violations.
- .92 Provide data necessary to complete the FNS-209.
- .93 Document the circumstances which resulted in a claim, the procedures used to calculate the claim, the methods used to collect the claim and, if applicable, the circumstances which resulted in suspension or termination of collection action.
- .94 Identify those situations in which an amount not yet restored to a household as a restoration of lost benefits can be used to offset a claim owed by the household.
- .95 Identify those households that have failed to make installment payments on their claims.
- .96 Document how much money was collected in payment of a claim and how much was submitted to CDSS through an adjustment of the CWD's advance.
- .97 Identify, at certification, households that owe outstanding payments on a previously established claim determination. The initial allotment shall not be reduced to offset claims. Actions on identified claims shall be as specified in Section 63-801.4.

NOTE: Authority cited: Sections 10554 and 18904, Welfare and Institutions Code. Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 273.18, 7 CFR 273.18(a), (a)(1)(ii), and (a)(2); 7 CFR 273.18(b)(3); 7 CFR 273.18(c)(1)(i), (c)(1)(ii), (ii)(b), and (c)(2)(ii) (Federal Register, Vol. 58, No. 209, pp. 58454 and 58455, dated November 1, 1993); 7 CFR 273.18(d)(4)(iii); 7 CFR 273.18(e)(1); 7 CFR 273.18(e)(3)(iv); 7 CFR 273.18(e)(3)(v); 7 CFR 273.18(e)(5)(v); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.18(e)(7)(i); 7 CFR 273.18(f); 7 CFR 273.18(g)(4)(ii); 7 CFR 273.18(g)(6); 7 CFR 273.18(g)(8); 7 CFR 273.18(g)(9); 7 CFR 273.18(h)(4); 7 CFR 273.18(i); 7 CFR 273.18(k)(5); 7 CFR 273.18(n)(1)(i); 7 U.S.C. 2022(a)(1); U.S.D.A., Food and Nutrition Service letter WFS-100:FS-10-6-CA, dated October 7, 1991; P.L. 104-193, Sections 809 and 844 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996) and Lomeli v. Saenz, Sacramento Superior Court, Case #98CS01747.

63-802 RESTORATION OF LOST BENEFITS**63-802****.1 Entitlement**

- .11 The CWD shall restore to a household benefits which were lost whenever:**
 - .111 the loss was caused by an administrative error as defined by Section 63-801.22, or;**
 - .112 an administrative disqualification for an intentional Program violation was subsequently reversed as specified in Section 63-805.3, or;**
 - .113 a statement elsewhere in the regulations specifically states that the household is entitled to restoration of lost benefits.**
- .12 Unless a longer period of time is specified elsewhere in regulations, lost benefits shall be restored for not more than 12 months prior to the earlier of the following dates:**
 - .121 The date the CWD receives a request for restoration from a household; or**
 - .122 The date the CWD is notified or otherwise discovers that a loss to a household has occurred.**
- .13 The CWD shall restore lost benefits even if the household is currently ineligible for Food Stamp Program participation.**
- .14 The CWD shall restore to a household benefits which were found by any judicial action to have been wrongfully withheld.**
 - .141 When the judicial action is a review of a state hearing, benefits shall be restored for a period of not more than 12 months prior to the date that the state hearing was initiated, or the dates specified in Section 63-802.12, whichever is the earliest.**