

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 11, 2005

Regulation Package #0404-01

CDSS MANUAL LETTER NO. FS-04-07

TO: HOLDERS OF THE FOOD STAMP MANUAL, DIVISION 63

Regulation Package #0404-01**Effective 7/1/04****Sections 63-034, 63-102, 63-103, 63-300, 63-301, 63-410, 63-501, 63-503, 63-504, 63-505, 63-508, 63-509, 63-801, and 63-804**

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

Assembly Bill (AB) 444, (Chapter 1022, Statutes of 2002) mandated implementation of Quarterly Reporting/Prospective Budgeting (QR/PB) for both the California Work Opportunity and Responsibility to Kids (CalWORKs) and the Food Stamp Programs. This bill added Sections 11265.1, .2, .3, and 18910 to the Welfare and Institutions Code to mandate implementation of QR/PB in California. AB 1403, (Chapter 398, Statutes of 2003) amended Welfare and Institutions Code Section 11265.3 to further clarify averaging of income over the QR Payment Period.

Through authority provided by the above additions to the Welfare and Institutions Code, the QR/PB program contains the following features:

- Recipients will be required to submit an income/eligibility report once per quarter (in the third month of the quarter).
- Recipients will have limited mandatory reporting requirements during the quarter (referred to as mandatory mid-quarter reports). For the CalWORKs program, these include reporting income that exceeds a specified amount known as the Income Reporting Threshold (IRT), drug felony convictions, fleeing felon status, parole/probation violations and address changes. For the Food Stamp Program, recipients will only be required to report address changes in mid-quarter. Certain nonassistance food stamp recipients will also be required to report changes in work hours that could affect eligibility. However, the Food Stamp Program will review household eligibility when an IRT is reported in the CalWORKs program.
- Eligibility and benefits for a three-month period will be based on information provided on the Quarterly Eligibility Report form (QR 7) and will be determined using prospective budgeting and income-averaging rules.
- Benefits will be "frozen" for the three months of the quarter, except under specified circumstances. Circumstances under which benefits may be adjusted during the quarter include when: a voluntary recipient mid-quarter report results in increased benefits, a mandatory recipient mid-quarter report results in a decrease or discontinuance of benefits, an individual or household requests discontinuance, or a county-initiated action results in decreased benefits.

- Benefits are not decreased or discontinued during the quarter except under the limited circumstances as stated above.

These regulations were adopted on an emergency basis effective July 1, 2004 and were heard at the August 25, 2004 public hearing.

FILING INSTRUCTIONS

All new revisions are indicated by a vertical line in the left margin. Revisions shown in graphic screen will continue to be shown in that manner until new revisions are done to those pages. 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-04-06.

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444 through 445.1	Pages 444 and 445
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Attachments

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FOOD STAMP REGULATIONS
FOOD STAMP IMPLEMENTATION SCHEDULE

This Users' Manual is issued as an operational tool. It contains the following:

- a) Regulations adopted by the Department of Social Services (DSS) for the governance of its agents, licensees, and/or beneficiaries;
- b) Regulations adopted by other State Departments affecting DSS programs;
- c) Statutes from appropriate Codes which govern DSS programs;
- d) Court decisions; and
- e) Operational standards by which DSS staff will evaluate performance within DSS programs.

Regulations of DSS are printed in gothic type as is this sentence.

Handbook material, which includes reprinted statutory material, other department's regulations and examples, is separated from the regulations by double lines and the phrases "**HANDBOOK BEGINS HERE**", "**HANDBOOK CONTINUES**", and "**HANDBOOK ENDS HERE**" in bold print. Please note that both other department's regulations and statutes are mandatory, not optional.

In addition, please note that as a result of the changes to a new computer system revised language in this manual letter and subsequent Food Stamp Manual Letters will now be identified by a vertical line in the left margin.

Questions relative to this Users' Manual should be directed to your usual program policy office.

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FOOD STAMP REGULATIONS
FOOD STAMP IMPLEMENTATION SCHEDULE

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63-035	IMPLEMENTATION OF ADMINISTRATIVE/ELIGIBILITY AMENDMENTS REGULATIONS	63-035
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Renumbered to Section 63-0005 by Manual Letter No. FS-98-04, effective 10-28-98.

63-036	IMPLEMENTATION OF SPONSORED ALIENS PROVISIONS	63-036
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Renumbered to Section 63-0006 by Manual Letter No. FS-98-04, effective 10-28-98.

63-037	IMPLEMENTATION OF MEDICAL EXPENSE DEDUCTION AMENDMENTS	63-037
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- .1 Effective on November 1, 1995, counties shall implement the revised provisions on reporting and verifying medical expenses in Sections 63-503.252(a), (b) and (c), 253(a), (b), and (c) and .254(a)(1) and (2); Sections 63-504.341(b), .421(c), (c)(1), (c)(2), (c)(3), (c)(4), (d), and (e), and .631(a), (b), and (c); Sections 63-505.41 and 41(c), .511, .52 and .6 and discontinue using repealed Section 63-505.34.
- .2 The provisions shall be implemented for all households that newly apply for Food Stamp Program benefits on or after the required implementation date. CWDs shall notify households eligible for the deduction of the change in medical deduction reporting requirements and the right of the household to be converted to those new procedures immediately. The current caseload shall be converted to these provisions at the household's request, at the time of recertification, or when the case is next reviewed, whichever occurs first.

NOTE: Authority cited: Sections 10554 and 18904, Welfare and Institutions Code. Reference: Public Law (P.L.) 100-435, Section 351; P.L. 101-624, Section 1717 [7 U.S.C. 2014(e)], and U.S.D.A. Food and Consumer Service Federal Register, Vol. 60, No. 67, dated April 7, 1995, pages 17628 through 17631.

63-038	IMPLEMENTATION OF AMENDED SUA REVISIONS	63-038
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Renumbered to Section 63-0007 by Manual Letter No. FS-98-04, effective 10-28-98.

63-039	IMPLEMENTATION OF MONTHLY REPORTING AND RETROSPECTIVE BUDGETING (INCOMPLETE MONTHLY ELIGIBILITY REPORT - CA 7)	63-039
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Renumbered to Section 63-0008 by Manual Letter No. FS-98-04, effective 10-28-98.

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- (b) Section 63-102(b)(1)(MR) shall become inoperative and Section 63-102(b)(1)(QR) shall become operative in that county, pursuant to the Director's QR/PB Declaration.

- (MR) (1) "Beginning Months" in a retrospective budgeting system means the first month the household is certified for food stamps and the month thereafter. For households applying for food stamps and PA benefits at the same time, a third beginning month shall be assigned if necessary for the household to transition from prospective to retrospective budgeting during the same months for both food stamps and PA. The first beginning month cannot be any month which immediately follows a month in which a household is certified and subject to retrospective budgeting in any project area. The month following the month of suspension shall not be considered a beginning month.

- (2) "Budget Month" in a retrospective budgeting system means the month from which income and other circumstances (except household composition) of the household are used to calculate the household's allotment for the corresponding issuance month.

- (3) "Bulk storage point" means a location which receives and stores coupons from FNS for two or more CWDs and transfers them to issuance agents. It must report coupon inventories on the FNS-250. Coupons are not issued to recipients from bulk storage points.

- (QR) (1) "Bulk storage point" means a location which receives and stores coupons from FNS for two or more CWDs and transfers them to issuance agents. It must report coupon inventories on the FNS-250. Coupons are not issued to recipients from bulk storage points.

- (c) (1) "Calendar month" means a period running from the first of the month through the end of the month.

- (2) "California Food Assistance Program (CFAP)" means the state program that provides Food Stamp Program benefits to noncitizens who were legally present in the United States prior to August 22, 1996, and have been determined ineligible for federal Food Stamp Program benefits due solely to their immigration status, as detailed in Section 63-405. The establishment of legal presence can be verified through INS at application. CFAP also provides Food Stamp Program benefits to certain noncitizens who are eligible for CFAP if they entered the U.S. on or after August 22, 1996 as specified in Section 63-403.1.

- (3) "Categorical Eligibility" means being considered eligible for food stamps, as specified in Sections 63-301.6, .7 and .8, because of the household's eligibility for public assistance (PA) or general assistance (GA).

63-102 DEFINITIONS (Continued)

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- (4) "Child/spousal support disregard payment" means those payments received from an absent parent, and issued to recipients of Aid to Families with Dependent Children (AFDC) in accordance with federal law, PL 98-369, Section 2640, of the Deficit Reduction Act (DEFRA). These payments are disregarded as income for the AFDC program, but shall be considered income for the Food Stamp Program.
- (5) "Claims collection point" means an entity responsible for the collection of claims.
- (6) "Combined Households" means those households which contain participants of the federal Food Stamp Program and CFAP.
- (7) "Commercial boarding house" means an establishment licensed as an enterprise which offers meals and lodging for compensation and profit. In a county without licensing requirements, a commercial boarding house shall be defined as a commercial establishment which offers meals and lodging for compensation with the intent of making a profit. The number of boarders residing in a boarding house shall not be used to determine if a boarding house is a commercial enterprise.
- (8) "Communal dining facility" means a public or nonprofit private establishment approved by FNS which prepares and serves meals for elderly persons, or for supplemental security income (SSI) recipients and their spouses; a public or private nonprofit establishment (eating or otherwise) that feeds elderly persons or SSI recipients and their spouses, and federally subsidized housing for the elderly at which meals are prepared for and served to the residents. It also includes private establishments which contract with a local agency to offer meals at concessional prices to elderly persons or SSI recipients and their spouses.
- (9) "Compliance with CWD Time Limits" means taking action within the time frames specified. If the last day for taking action falls on a Saturday the CWD shall take action on or before that date. When the last day for taking action falls on a Sunday or other holiday, as specified in Government Code Sections 6700 and 6701, the CWD shall take action on the next normal working day except for expedited service time frames as specified in Section 63-301.531.
- (10) "County agency (CWD)" means the agency of county government which has been delegated the responsibility for the administration of the federally aided public assistance programs within the county.
- (11) Section 63-102(c)(11)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

63-102 DEFINITIONS (Continued)

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- (QR) "Change Reporting Household" means a household consisting of seasonal and/or migrant farmworkers, all elderly or disabled individuals or households with all homeless individuals. These households are required to report income, resource and household circumstance changes within 10 days of the occurrence. Benefits are increased or decreased based on these reported changes.
- (12) Section 63-102(c)(12)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) "Conversion Factor" means a figure used to convert income paid on a weekly or bi-weekly basis to a monthly averaged figure. Weekly amounts are multiplied by 4.33 and bi-weekly amounts by 2.167.
- (13) Section 63-102(c)(13)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) "County Initiated Mid-Quarter Actions" means the changes in eligibility status based on case information that the CWD is required to act on mid-quarter such as sanctions, financial penalties, duplication of benefits in another household, the end of an inter-county transfer, known to county information like electronic wage matches, or changes in public assistance grants.
- (14) "Coupon" means a type of certificate provided pursuant to the provisions of Division 63, Food Stamp Regulations, for the purchase of eligible foods.
- (15) "Coupon issuer" means the CWD or any person, partnership, corporation, organization, or other entity with which a CWD has an CDSS approved contract for, or to which it has assigned responsibility for the issuance of coupons to households.
- (d) (1) "Date of entry" or "Date of admission" means the date established by the Immigration and Naturalization Service as the date the sponsored alien was admitted for permanent residence.
- (2) "Days" unless stated otherwise refers to calendar days.
- (3) "Delinquent claim" is either a claim that has not been paid by the due date and a satisfactory payment arrangement has not been made, or a payment arrangement has been made and a scheduled payment has not been made by the due date.
- (4) "Department" means the California Department of Social Services.

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- (5) "Director" means the director of the California Department of Social Services.
- (6) "Disaster" means one of two types of disasters which are:
- (A) "Lesser disaster" means a disaster such as, but not limited to, a flood, fire, other catastrophe or temporary emergency that has not been declared a major disaster but is severe enough to have disrupted commercial channels of food distribution.
- (B) "Major disaster" means one of the following occurrences which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby:
- (i) any natural catastrophe (such as a hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm or drought); or
- (ii) regardless of cause, any fire, flood, or explosion.
- (7) "Disqualification Consent Agreement" means the DFA 478.
- (8) "Drug addiction or alcoholic treatment and rehabilitation program" means any drug addiction or alcoholic treatment and rehabilitation program under Part B of Title XIX of the Public Health Service Act (42 USC 300x et seq.) conducted by a private nonprofit organization or institution or a publicly operated community mental health center.
- (A) "Under Part B of Title XIX of the Public Health Service Act" (42 USC 300x et seq.) is defined as meeting the criteria which would make it eligible to receive funds, even if it does not actually receive funding under Part B of Title XIX.
- (e) (1) "Elderly or disabled member" means a member of a household who:
- (A) is 60 years of age or older;

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(3) "Energy Assistance" means any payments or allowances made for the purpose of providing energy assistance under a federal law other than Part A of Title IV of the Social Security Act of 1935 (42 U.S.C. 601 et seq.), as amended, or a one-time payment made under a federal or state law for costs of weatherization, emergency repair or replacement of heating or cooling devices if unsafe or inoperative.

(4) "Entrant Cash Assistance (ECA)" means cash assistance provided to Cuban or Haitian entrants under the same conditions, and to the same extent, as such assistance is provided to refugees receiving Refugee Cash Assistance (RCA).

(5) Section 63-102(e)(5)(MR) shall become inoperative and Section 63-102(e)(5)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) "Extended Filing Date" in a monthly reporting system is by close of business on the first working day of the issuance month and is the final date by which the household must submit a complete CA 7, including all required verification without penalty of termination of eligibility or disallowance of deductions.

(QR) "Extended Filing Date" in a QR system is by close of business on the first working day of the new QR quarter and is the final date by which the household must submit a complete Quarterly Report (QR 7), including all required verification, without penalty of termination of eligibility or disallowance of deductions.

(f) (1) "FNS" means the Food and Nutrition Service of the U.S. Department of Agriculture.

(2) "Federal fiscal year" means a period of 12 calendar months beginning with October 1 and ending with September 30 of the following year.

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- (3) "Fingerprint Imaging" is the process that automatically scans an individual's fingerprint and produces a fingerprint image. This image is added to the Statewide Fingerprint Imaging System (SFIS) database.
- (4) "Fleeing felon" means an individual who is fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey. The existence of a warrant for arrest shall be presumed to be evidence of fleeing, unless rebutted by other evidence sufficient to prove that the individual had no knowledge that s/he was being sought by law enforcement.
- (5) "Food Stamp Act" means the Food Stamp Act of 1977 (Pub. L. 95-113), including any subsequent amendments thereto.

(g) (1) "General Assistance (GA)" means cash or another form of assistance, excluding in-kind assistance, financed by county 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. Such programs include County General Assistance (GA)/General Relief (GR).

(A) For purposes of determining categorical eligibility, as specified in Section 63-301.82, GA recipients include individuals authorized to receive GA benefits whether or not they are actually receiving a GA payment. This includes recipients whose GA benefits have been suspended or recouped, or those who are entitled to GA benefits but are not paid such benefits because the grant is below the minimum payable under the GA program.

(2) "Group living arrangement" means a public or private nonprofit residential setting, serving no more than sixteen residents, that is licensed by the Department of Social Services. To be eligible for food stamp benefits, a resident of such a group living arrangement must be blind or disabled and receiving benefits under Title II (Retirement, Survivors, Disability Insurance benefits) or Title XVI (SSI) of the Social Security Act. However, if per Section 63-402.225, Title XVI recipients are ineligible for food stamps, this ineligibility shall apply to Title XVI (SSI) recipients who are residing in group living arrangements.

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- (3) "Household Disaster" means a natural event such as flood, tornado, or a devastating event such as a fire.
- (4) "House-to-house trade routes" means any retail food business operated from a truck, bus, pushcart, or other vehicle which can move easily from place to place.
- (i) (1) "Identification (ID) card" means the DFA 287.
- (2) "IEVS" means the Income and Eligibility Verification System (see Section 20-006.1).
- (3) "Immigration and Naturalization Service (INS)" means the Immigration and Naturalization Service, U.S. Department of Justice.
- (4) "Inaccessible Resource" means the resource or vehicle would be exempt from consideration if its equity value is \$1,500 or less.
- (5) "Inadvertent Household Error (IHE)" is any claim for an overpayment resulting from an unintentional error on the part of the household.
- (6) Section 63-102(i)(6)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) "Income Reporting Threshold (IRT)" means the level of income that triggers the need for a CalWORKs Assistance Unit (AU) to make a mandatory mid-quarter report of a change in income. The IRT is the greater of 130 percent of the Federal Poverty Level (FPL) or the level at which an AU become financially ineligible in the CalWORKs program.
- (7) "Indigent Noncitizen" means a sponsored noncitizen whose own income, the cash contributions from the sponsor and from others, including the value of any in-kind assistance the sponsor and others provide is not more than 130 percent of the poverty income guideline for the household size.
- (8) "Initial Application and Certification" means the first application for certification filed, or an application for certification filed after any break in certification.
 - (A) For the purpose of prorating benefits (see Section 63-503.13):
 - 1. The first application for benefits a household has ever filed, or

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2. An application for certification filed after any period during which the household was not certified for participation except for migrant and seasonal farm worker households. Migrant and seasonal farm worker households which have a break in participation of 30 days or less shall be considered to have continuous participation.

(B) For the purpose of determining verification requirements (see Section 63-300.5):

1. The first application for benefits a household has ever filed, or
2. An application for certification filed after at least a one month break since the household was last certified, or
3. An application received from any household which was immediately previously certified in another project area regardless of whether or not there has been a one month break since the household was last certified.

(C) For the purpose of determining whether or not it is a beginning month(s) for a household which shall be subject to retrospective budgeting (see Section 63-503.21):

1. The first application for benefits a household has ever filed, or
2. An application for certification filed after at least a one-month break since the household was last certified and retrospectively budgeted.

(9) "IPV" means intentional Program violation (see Section 20-300.1).

(10) Section 63-102(i)(10)(MR) shall become inoperative and Section 63-102(i)(10)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) "Issuance Month" in a monthly reporting and retrospective budgeting system means the month for which a food stamp allotment is issued. The allotment is based on income and circumstances in the corresponding budget month. In prospective budgeting, the budget month and issuance month are the same. In retrospective budgeting, the issuance month is the second month after the budget month.

(QR) "Issuance Month" in a QR/PB system means any month during a quarter for which a food stamp allotment is issued.

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- (11) "Issued" means an item is disbursed. Therefore, coupons or ATPs are considered issued when deposited in the mail or handed over the counter.

- (12) An "issuing point" means a location operated by the CWD and/or its issuance agent which issues coupons to recipients.

- (j) Reserved

- (k) Reserved

- (l) (1) "Liquid Resources" means those resources which are in the form of cash or are readily converted into cash. Such resources shall include but may not be limited to cash on hand, money in checking or savings accounts, savings certificates, trust deeds, notes receivable, stocks or bonds, and nonrecurring lump-sum payments unless specifically excluded in Section 63-501.3.

- (m) (1) "Mass change" is defined at Section 63-504.39.
 - (2) "Mass Change Notice" means an informational document which is mailed to each household and which meets federal requirements for informational content. See Handbook after Section 63-504.392 for the list of federally required informational elements.
 - (3) "Master issuance file" means a cumulative file containing individual household records for all food stamp households indicating household status and the amount of benefits each household is authorized to receive.
 - (4) "Meal delivery service" means a political subdivision, a private nonprofit organization, or a private establishment which contracts with a local agency for the preparation and delivery of meals at concessional prices to elderly persons and their spouses; and to the physically or mentally handicapped and their spouses, such that they are unable to adequately prepare all of their meals.
 - (5) "Meal provider for the homeless" means a public or private nonprofit establishment that feeds homeless persons, (e.g., soup kitchen or shelter), which has been authorized by the Food and Nutrition Service (FNS) to accept food stamp coupons.
 - (6) "Medicaid" means medical assistance under Title XIX of the Social Security Act, as amended.
 - (7) Section 63-102(m)(7)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

63-102 DEFINITIONS (Continued)

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- (QR) "Mid-Quarter Change" means any change reported during the QR Payment Quarter that is outside the QR 7 report process. There are two types of mid-quarter reports: (1) mandatory reports are reports households are required to make within 10 days of the occurrence, and (2) voluntary reports are reports that households may make to the CWD during the quarter if the household wants benefits increased mid-quarter. CWDs shall only take action to change benefits based on voluntary mid-quarter reports when benefits increase as a result of the reported change. No action based on a voluntary mid-quarter report shall be taken to decrease benefits.
- (8) Medical licensed practitioner or other qualified health professional authorized by state law include but not be limited to the following: Acupuncturists, Chiropractors, Educational Psychologists, Midwives, Nurse Practitioners, Nurses (Registered, Vocational, Home Administrators and Registry), Physical Therapists, Podiatrists, Psychiatrists, Psychiatric Technicians and Clinical Psychologists.
- (9) "Migrant Farmworker" means an individual who does not live at his/her home, but rather travels from place to place outside the project area in which the individual resides, to seek employment in an agricultural production activity. A migrant household is a household which includes a member who is a migrant farmworker during the certification period.
- (10) "Mixed Household" means a food stamp household in which less than all members receive public assistance in addition to food stamp benefits. For purposes of these regulations, mixed households shall be considered nonassistance households and shall be subject to the same procedures as nonassistance households except as otherwise specified.
- (n) (1) "Nonassistance Household" means a household which receives food stamp benefits and in which none or less than all of its members also receive public assistance.
- (2) "Nonliquid Resources" means those resources which are not in the form of cash and are not readily converted into cash. Such resources shall include but may not be limited to personal property, licensed and unlicensed vehicles, buildings, land, recreational properties, and any other property, unless specifically excluded in Section 63-501.3.
- (3) "Nonprofit cooperative food purchasing venture" means any private nonprofit association of consumers whose members pool their resources to buy food.
- (4) "Notice of Action" means a form provided to a household informing them of an action which has been or will be taken concerning the household's eligibility status or level of benefits.

63-102	DEFINITIONS (Continued)	63-102
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(5) "Notice of Missed Interview (NOMI)" means a notification to the household that it missed its first scheduled interview and that the household is responsible for rescheduling the missed interview within 30 days of the application date.

(o) (1) "Overissuance" means the amount by which coupons issued to a household exceeds the amount it was eligible to receive.

(p) (1) "Parental Control"

(A) A minor child shall not be considered under the parental control of the individual with whom he/she resides if any one of the following conditions exists:

(a) The minor entered into a valid marriage, whether or not such marriage has terminated by dissolution.

(b) The minor is on active duty with any of the armed forces of the United States of America. (Note: A person who was in the armed forces but was discharged before reaching the age of 18 could still be considered under parental control.)

(c) The minor has been emancipated by a court order.

(B) If none of the above conditions exist then whether or not a minor should be considered under the parental control of the individual with whom he/she resides shall be determined using the following criteria. The eligibility worker shall assess the relative importance of the criteria below to each individual case in determining whether or not parental control exists:

(a) The minor is economically self-supporting and managing his/her own affairs.

(b) The closer a minor is to 18 years the more significant age becomes in the determination of parental control.

(c) The minor is absent from the individual with whom he/she is residing for significant periods of time and comes and goes without the individual's approval.

(C) Repealed by CDSS Manual Letter No. FS-89-04, (effective June 29, 1989).

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- (2) "Person in Violation of Probation or Parole" means an individual who is in violation of a condition of probation or parole imposed under a federal or state law. The initial offense for which probation or parole was ordered need not have been a felony.
- (3) "Photo ID Card" means an identification card used in a Photo Identification Card System to identify the bearer as eligible to receive and use Food Stamps.
- (4) "Photo Identification Card System" is one which meets all the requirements of Section 63-504.8. The photo identification card system may utilize a single identification card which meets the requirements of Sections 63-504.7 and 63-504.8 or two identification cards which together meet the requirements of these sections.
- (5) "Photo Imaging" means the process that automatically scans an individual's facial features and produces a facial image. The image is added to the statewide SFIS database.
- (6) "Prescreening" means gathering information prior to filing an application to perform a preliminary review of eligibility for participation in the Food Stamp Program. Prescreening does not include gathering information to refer an applicant to the appropriate program or office.
- (7) "Program" means the Food Stamp Program conducted under the Food Stamp Act and regulations.
- (8) "Project area" means the county designated as the administrative unit for program operations. Upon prior FNS approval, a city, Indian reservation, welfare district, or any other entity with clearly defined geographic boundaries, or any combination of such entities, may be designated as a project area, or the state as a whole may be designated as a single project area.
- (9) A "project area code" is the nine-digit number assigned to each CWD and/or its issuance agents regardless of whether the CWD issues coupons or not.
- (10) "Prospective Budgeting" means the computation of a household's food stamp allotment for an issuance month based on an estimate of income and circumstances which will exist in that month.
- (11) "Prospective Eligibility" means the determination of a household's eligibility for an issuance month based on an estimate of a household's income, circumstances, and composition which will exist in that issuance month.
- (12) "Public Assistance (PA)" means a program funded under Title IV-A of the Social Security Act of 1935, as amended, or matching state funds for public assistance programs. Programs must be means-tested, and all household members must be receiving or authorized to receive benefits from a Temporary Assistance to Needy Families (TANF), or state-funded program.

63-102 DEFINITIONS (Continued)**63-102**

- (a) For purposes of determining categorical eligibility, as specified in Section 63-301.7, PA recipients include individuals authorized to receive PA benefits whether or not they are actually receiving a PA payment. This includes recipients whose PA benefits have been suspended or recouped, or those who are entitled to PA benefits but are not paid such benefits because the grant is less than \$10.00.

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- (b) Examples of PA households are:
1. all members receive benefits from the CalWORKs program which is 50 percent TANF-funded.
 2. all members receive benefits from the CalWORKs Two-Parent program, which is 50 percent state-funded.

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- (q) Sections 63-102(q)(1) through (5) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (1) "QR Implementation Month" means the month in which all of a CWD's cases are converted to PB subject to the Director's Declaration.
 - (2) "QR Data Month" means the second month of the quarter for which the recipient reports all information necessary to determine eligibility.
 - (3) "QR/PB" means Quarterly Reporting/Prospective Budgeting.
 - (4) "QR Payment Quarter" means the quarter in which benefits are paid/issued. The QR payment quarter begins the first day immediately following the QR Submit Month.
 - (5) "QR Submit Month" means the month in which the QR 7 is required to be submitted to the CWD. The QR Submit Month is the third month of each quarter.
- (r) (1) Section 63-102(r)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

63-102 DEFINITIONS (Continued)

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- (QR) "Reasonably Anticipated Income and Expenses" means income and expenses that have been or will be approved or authorized as of a date within the upcoming QR Payment Quarter and the amount of income is known, or the household is otherwise reasonably certain that the income will be received within the quarter and the amount of income is known. (See Sections 63-509(a)(2) and (3).)
- (2) "Recipient Claim" is an amount owed because benefits were overissued or benefits were trafficked.
- (3) Compliance with "Recipient Due Dates" means items shall be received by close of business on the date specified unless that date falls on a weekend or holiday, in which case the due date is by close of business on the next normal working day.
- (4) "Record-for-issuance file" means a file which is created monthly from the master issuance file, which shows the amount of benefits each eligible household is to receive for the issuance month and the amount actually issued to the household.
- (5) "Regulations" means the provisions of this manual. Regulatory citations refer to provisions of this manual unless otherwise specified.
- (6) "Refugee Cash Assistance (RCA)" means cash assistance provided under Title IV of the Immigration and Nationality Act to refugees who are ineligible for Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI) and who have resided in the United States for less than a 12-month period from their initial entry into the country.
- (7) Section 63-102(r)(7)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) "Report Month" means the month in a monthly reporting and retrospective budgeting system during which the CA 7 from the budget month is due and the month during which the household's allotment for the issuance month is calculated. The report month is between the budget month and the issuance month.
- (8) The "reporting point code" is the nine-digit number assigned to each reporting point. In counties in which the CWD itself issues coupons, the project code and the CWD reporting point code will be the same. CWDs not currently issuing but which wish to begin doing so must ensure that their project area code is activated as a reporting point before they begin issuance.
- (9) A "reporting point" means a CWD which prepares and submits an FNS-250 to FNS.

63-102 DEFINITIONS (Continued)

63-102

(10) "Retail food store" means:

- (A) An establishment or recognized department of an establishment, or a house-to-house trade route, whose eligible food sales volume, as determined by visual inspection, sales records, purchase records, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry, is more than 50 percent for food items for home preparation and consumption. See Section 63-102(h) for house-to-house trade route definition.
- (B) Public or private communal dining facilities and meal delivery services, drug addict or alcoholic treatment and rehabilitation programs, public or private nonprofit shelters for battered women and children, or public or private nonprofit group living arrangements which accept food stamps in exchange for meals, and public or private nonprofit establishments that feed homeless persons, (e.g., soup kitchens or shelters), which have been authorized by the Food and Nutrition Service (FNS) to accept food stamp coupons.
- (C) Drug addict or alcoholic treatment and rehabilitation programs or public or private nonprofit group living arrangements which redeem coupons directly through wholesalers.
- (D) Any private nonprofit cooperative food purchasing venture, including those whose members pay for food prior to receipt of the food.
- (E) A farmer's market.

(11) Section 63-102(r)(11)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) "Retrospective Budgeting" means the computation of a household's food stamp allotment for an issuance month based on actual income and circumstances which existed in the budget month.

(12) "Request for Information (RFI)" means a notification given to the household, prior to the CWD taking any adverse action, that clearly advises the household of verification and clarifications it must provide within 10 days of the request to the CWD.

(s) (1) "Seasonal Farmworker" means a nonmigrating individual who is employed seasonally in an agricultural production activity during the certification period. A seasonal farmworker household is a household where any member is a seasonal farmworker.

63-102 DEFINITIONS (Continued)**63-102**

- (2) "Self-employed farmer" means a farmer who receives or anticipates receiving annual gross proceeds of \$1000 or more from the farming enterprise.
- (A) For the purpose of this section, "farming enterprise" shall be defined as the growing of agricultural products or the raising of livestock for income.
- (3) "Self-employed fisherman" means a fisherman who receives or anticipates receiving annual gross proceeds of \$1000 or more from a fishing enterprise. The fisherman, like a farmer, must produce food and is subject to the same chances as farmers that can result in losses, such as market demands, weather conditions, and the environment. This includes fishermen who are involved in catching or harvesting fish or other types of water life.
- (4) "Shelter for Battered Women and Children" means a public or private nonprofit residential facility that serves battered women and/or women with children. A shelter: 1) may have FNS authorization as a retail food store to redeem coupons through wholesalers; 2) may accept coupons from residents in payment for meals prepared by the shelter; 3) may redeem coupons at retailers as the authorized representative; or 4) residents may use coupons to purchase food and prepare meals. If the facility also serves other individuals, a portion of the facility must be set aside on a long-term basis to serve only battered women and/or women with children.
- (5) A "shipping code" is a 12-digit number assigned to each shipping point. (Note that a twelve-digit shipping point code may be assigned to bulk storage, project areas, or issuing points that serve as places where shipment of coupons from FNS are received.)
- (6) A "shipping point" means a place which receives coupon shipments from FNS.
- (7) "Sponsor" means a person who has executed an Affidavit of Support (INS Form I-864 and/or I-864A) required by the INS on behalf of a noncitizen as a condition of the noncitizen's admission into the United States.
- (8) "Sponsored Noncitizen" means a noncitizen for whom a sponsor has executed an Affidavit of Support (INS Form I-864 and/or I-864A) on behalf of the noncitizen, pursuant to Section 213A of the Immigration and Nationality Act.
- (9) "Spouse" refers to either of two individuals who would be defined as married to each other under applicable state law or who are cohabitating and are holding themselves out to the community as husband and wife by representing themselves as such to relatives, friends, neighbors, or tradespeople.

63-102	DEFINITIONS (Continued)	63-102
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- (10) "Staple food" means those food items intended for home preparation and consumption which include meat, poultry, fish, breadstuffs, cereals, vegetables, fruits, fruit and vegetable juices, and dairy products. Accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices are not staple foods for the purposes of qualifying a firm to participate in the Food Stamp Program as a retail food store.
- (11) "State agency (CDSS)" means the agency of the State Government which has the responsibility for the administration of the federally aided public assistance programs within the state.
- (12) "Statewide Fingerprint Imaging System (SFIS)" is the automated system designed to detect and prevent duplicate participation in the Food Stamp Program by matching the fingerprint images of applicants and recipients against those already in the SFIS database. The county is also required to take a photo image of each household member required to comply with SFIS, using the SFIS equipment.
- (13) A "storage point" means a location where a CWD and/or its issuing agent keeps or stores coupons.
- (14) "Supplemental Security Income (SSI)" means monthly cash payments made under the authority of: (1) Title XVI of the Social Security Act, as amended, to the aged, blind, and disabled; (2) Section 1616(a) of the Social Security Act; or (3) Section 212(a) of Public Law 93-66.
- (15) "Suspended Claim" means a food stamp overissuance claim on which no collection action has been initiated or collection action has ceased in accordance with Section 63-801.5.
- (t) (1) "Terminated Claim" means that the CWD has determined the claim to be uncollectible because the three-year suspension period for the food stamp overissuance claim has expired.
- (2) "Thrifty food plan" means the diet required to feed a family of four persons as determined in accordance with the Secretary's calculations. The cost of such diet shall be the basis for uniform allotments for all households regardless of their actual composition, except that the Secretary shall make household-size adjustments in the thrifty food plan taking into account economies of scale.
- (3) "Trafficking" means the buying or selling of coupons, access devices or authorization documents such as ATP cards for cash or consideration other than for eligible food, or the exchange of firearms, ammunition, explosives, or controlled substances for food coupons.

63-102	DEFINITIONS (Continued)	63-102
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- (4) "Transaction receipt" means the document produced in an automated direct access issuance system which can be designed to be signed prior to the issuance of benefits by a household member designated on the ID card or any authorized representative.

- (5) "Transitional housing" means time limited residency to facilitate the movement of homeless individuals and families to permanent housing. The residency shall be determined to be time limited when the household states that their housing situation is temporary, or the CWD or the housing unit imposes a time limit.

- (u) (1) "Underissuance" means the amount by which the allotment to which the household was entitled exceeds the allotment which the household received.

- (v) (1) "Validity period" means the time frame during which a household may obtain benefits by transacting an authorization document or receiving benefits at an issuance point.

- (w) (1) "Wholesale food concern" means an establishment which sells eligible food to retail stores or to meal services for resale to households.

- (x) Reserved

- (y) Reserved

- (z) Reserved

NOTE: Authority cited: Sections 10553, 10554, 11265.1, .2 and .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 10830, 11486.5 and 18930 through 18934, Welfare and Institutions Code; 8 U.S.C.A. Section 1522(e); 42 U.S.C.A. 601, et seq.; and 42 U.S.C.A. 5122; 7 CFR 272, 7 CFR 272.4(f); 7 CFR 273, 7 CFR 273.1(c)(5); 7 CFR 271.2; 7 CFR 273.2, .2(e)(3), .2(j), (j)(4), and (v)(2)(i)(B); 7 CFR 273.4(a)(3)(ii) and (iv), .4(c), (c)(2), (c)(3)(iv), and (e)(3)(iv); 7 CFR 273.5(a); 7 CFR 273.8; 7 CFR 273.9(c)(1)(ii)(D); and (c)(11)(i) and (ii); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12(c)(3); and .12(e); 7 CFR 273.16(c); 7 CFR 273.18(a)(1)(ii); 7 CFR 273.18(e)(3)(v), (e)(5)(v) and (n)(1)(i); 7 CFR 273.21(b); 7 CFR 274.3(a)(2); 7 CFR 274.10; 7 CFR 274.12; 7 CFR 278.1; 7 CFR 2710.2; 45 CFR 401; 45 CFR 400.62; Public Law (P.L.) 100-77, Section 802; Section 70 of Assembly Bill (AB) 444, Chapter 1022, Statutes of 2002; AB 692, (Chapter 1024, Statutes of 2002); Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) [Dock. No. CV-89-0768]; Section 66011, Education Code; P.L. 102-237, Section 902; 7 U.S.C. 2014(c)(2)(B) and (k)(2)(F); 7 U.S.C. 2022(b)(4); 8 U.S.C. 1631; U.S.D.A. Food and Nutrition Service Administrative Notices 94-39, 97-44, and 98-56; Hamilton v. Madigan (9th Cir. 1992) 961 F.2d 838; Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; Food Stamp Act Section 6(k)(1); P.L. 104-193, Sections 272, 273, 805, 821, and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Register Vol. 59, No. 224, dated November 22, 1994; Federal Register Vol. 65, No. 130, dated July 6, 2000 and Vol. 65, No. 149 Corrections, dated August 2, 2000, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

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- .1 This section lists and defines those forms which are used in the Food Stamp Program and referenced in regulations. Forms which are recommended for use, but are not required, are included as Handbook.
 - .11 Forms are listed alphabetically by the alpha form designation and number.
 - .12 The revision date of the form currently in use is specified for each form.
 - .13 The alpha form designations mean the following:
 - a. "CA" means Children's Assistance.
 - b. "DFA" means Division of Financial Administration.
 - c. "FNS" means Food and Nutrition Service.
 - d. "FS" means Food Stamps.
 - e. "I" or "INS" means Immigration and Naturalization Services.
 - f. "JA" means joint application.
 - g. "MC" means Medi-Cal.
 - h. "NA" means Notice of Action.
 - i. "SAWS" means Statewide Automated Welfare System.
 - j. "SSA" means Social Security Administration.
 - .14 For further information regarding Food Stamp forms and form instructions, see Handbook Section 63-1200.

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- .2 Forms Listing
 - a. Reserved
 - b. Reserved

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c. (1) Section 63-103.2c.(1)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) CA 7 (rev. 1/93) - Monthly Eligibility Report

The CA 7 is used to report information on a monthly basis by monthly reporting households, to determine the household's continuing eligibility and level of benefits.

(2) CA 8 (rev. 2/84) - Statement of Facts for Additional Persons

The CA 8 is used to collect information necessary to determine the household's eligibility when adding a person.

d. (1) DFA 256 (rev. 11/90) - Participation and Coupon Issuance Report - Food Stamp Program

The DFA 256 is used to collect CWD participation and coupon issuance data.

(2) DFA 285-A1 (rev. 7/90) - Application for Food Stamps - Part (1)

The DFA 285-A1 is completed by applicants and is used to identify households entitled to expedited service.

(3) DFA 285-A2 (rev. 4/93) - Application for Food Stamps - Part (2)

The DFA 285-A2 is completed by applicants and is used to collect the information necessary to determine an applicant's eligibility and benefit level.

(4) Section 63-103.2d.(4)(MR) shall become inoperative and Section 63-103.2d.(4)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) DFA 285-A3 (rev. 4/93) - Important Facts for Food Stamp Applicants

The DFA 285-A3 is used to inform food stamp applicants of their rights and responsibilities and to certify that applicants understand those rights and responsibilities and the penalties for noncompliance.

63-103 DEFINITIONS--FORMS
(Continued)**63-103**

- (QR) DFA 285-A3 QR (rev. 12/03) - Your Right and Responsibilities.

The DFA 285-A3 QR is a required form, no substitutes permitted. The form is used to inform QR food stamp applicants of their rights and responsibilities and to certify that applicants understand those rights and responsibilities and the penalties for noncompliance.

- (5) DFA 286 (rev. 4/79) - Household Issuance Record

The DFA 286 is used by CWDs which operate a manual household issuance record card system to record benefit authorizations and transactions.

- (6) DFA 287 (rev. 4/80) - Food Stamp Program Identification (ID) Card

The Identification "ID Card" is used to identify the bearer as eligible to receive and use food coupons.

- (7) DFA 289 (rev. 4/79) - Food Stamp Program Receptionist's Daily Tally Sheet

The DFA 289 is used to record the daily issuance transactions for each cashier.

- (8) DFA 293 (rev. 4/79) - Cashier's Daily Report

The DFA 293 is used to report the daily transaction activity for each cashier.

- (9) DFA 296 (rev. 10/88) - Food Stamp Program Monthly Caseload Movement Statistical Report

The DFA 296 is used to report data on monthly CWD application processing activities.

- (10) DFA 296 X (rev. 12/88) - Food Stamp Program Expedited Service Quarterly Statistical Report

The DFA 296 X is used to report quarterly data on the CWD's disposition of expedited service requests.

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- (11) DFA 300 (rev. 1/80) - Food Stamps Mail Issuance Log

The DFA 300 is used to record mail issuance requests/transactions.
- (12) DFA 303 (rev. 10/90) - Replacement Affidavit/Authorization

The DFA 303 is used to document household replacement requests.
- (13) DFA 358 (rev. 10/88) - Food Stamp Program Participants by Ethnic Group

The DFA 358 is used to report data on Food Stamp recipients by ethnic group.

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- (14) Section 63-103.2d.(14)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) DFA 377.1 (rev.3/02) - Notice of Approval

The DFA 377.1 is the recommended CDSS developed form used to inform a household that its application for participation in the Food Stamp Program has been approved.
- (15) DFA 377.1A (rev. 3/02) - Notice of Denial or Pending Status

The DFA 377.1A is the recommended CDSS developed form used to inform a household that their application for participation in the Food Stamp Program has been denied after the applicant's first missed interview. The form is also used for other purposes, such as denying a household due to failure to provide required verification needed to determine eligibility or to notify the applicant of the pending status of their application.
- (16) Section 63-103.2d.(16)(MR) shall become inoperative and Section 63-103.2d.(16)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

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- (MR) DFA 377.2 (rev. 12/83) - Food Stamp Notice of Expiration of Certification

The DFA 377.2 is the recommended CDSS developed form used to inform a household that their certification period will expire soon or be shortened.

- (17) Section 63-103.2d.(17)(MR) shall become inoperative and Section 63-103.2d.(17)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) DFA 377.4 (rev. 12/83) - Food Stamp Notice of Change

The DFA 377.4 is the recommended CDSS developed form used to notify a household of any change in eligibility status or benefit level during the certification period.

- (QR) DFA 377.4 QR (rev. 1/04) - Food Stamp Notice of Change for Change Reporting Household

The DFA 377.4 QR is a required form, and no substitutes are permitted. The form is used to inform change reporting households of changes, and termination of benefits. It also acts to inform a household that there is no change in benefits when a household has made a mid-quarter report.

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- (18) DFA 377.5 (rev. 8/90) - Food Stamp Household Change Report

The DFA 377.5 is used to report information on changes in household circumstances by households not subject to monthly reporting requirements.

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- (19) DFA 377.7A (rev. 8/88) - Notice of Administrative Disqualification

The DFA 377.7A is the recommended CDSS developed form used to notify a household of their disqualification based on an Administrative Disqualification Hearing decision.

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- (20) DFA 377.7B (rev. 9/93) - Food Stamp Repayment Notice For Inadvertent Household Errors Only

The DFA 377.7B is the recommended CDSS developed form used to initiate collection action against a household or the sponsor of an alien household for an Inadvertent Household Error.

- (21) DFA 377.7D (rev. 9/93) - Food Stamp Repayment Notice for Administrative Errors Only

The DFA 377.7D is the recommended CDSS developed form used to initiate collection action against a household or the sponsor of an alien household for an Administrative Error.

- (22) DFA 377.7F (rev. 10/93) - Food Stamp Repayment Notice for an Intentional Program Violation (IPV) Only

The DFA 377.7F is the recommended CDSS developed form used to initiate collection action against a household or the sponsor of an alien household for an Intentional Program Violation.

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- (23) DFA 377.7C (rev. 9/93) - Food Stamp Repayment Agreement for Inadvertent Household Errors Only

The DFA 377.7C is used to specify the terms under which a household has agreed to repay an outstanding claim determination on an Inadvertent Household Error.

- (24) DFA 377.7E (rev. 4/93) - Food Stamp Repayment Agreement for Administrative Errors Only

The 377.7E is used to specify the terms under which a household has agreed to repay an outstanding claim determination for an Administrative Error.

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(Continued)

- (25) DFA 377.7G (rev. 10/93) - Food Stamp Repayment Agreement for an Intentional Program Violation (IPV) Only

The DFA 377.7G is used to specify the terms under which a household has agreed to repay an outstanding claim determination for an Intentional Program Violation.

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- (26) DFA 377.9 (rev. 7/90) - Notice of Back Food Stamp Benefits

The DFA 377.9 is the recommended CDSS developed form used to notify a household of their entitlement to a restoration of lost benefits.

- (27) DFA 377.10 (rev. 7/89) - Food Stamp Notice of Disqualification

The DFA 377.10 is the recommended CDSS developed form used to notify a household of its disqualification from the Food Stamp Program for noncompliance with work registration requirements.

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- (28) DFA 385 (rev. 11/87) - Application for Emergency Food Stamp Assistance

The DFA 385 is used as the application in disasters.

- (29) DFA 386 (rev. 3/02) – Notice of Missed Interview

The DFA 386 is the recommended CDSS-developed form used to notify the household that it missed its first scheduled interview and that the household is responsible for rescheduling the missed interview within 30 days of the application date. If the household does not reschedule the interview within the 30 days, the DFA 377.1 is sent to the applicant on the 30th day after the application date to deny the application.

- (30) DFA 387 (rev. 3/02) – Request for Information

The DFA 387 is the recommended CDSS-developed form used to notify the household, prior to the CWD taking any adverse action, of verification and clarifications it must provide within 10 days of the request to the CWD. If the household does not respond to the request for information, the food stamp case can be terminated.

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- (31) DFA 478 (rev. 6/90) - Disqualification Consent Agreement

The DFA 478 is used in cases of deferred adjudication. Accused individual(s) consent to an appropriate disqualification period with benefit reduction and acknowledge liability for payment of any resulting claim.

- (32) DFA 479 (rev. 5/89) - Administrative Disqualification Hearing Waiver

The DFA 479 is an agreement wherein an accused individual(s) waives the right to an Administrative Disqualification Hearing (resulting in an appropriate disqualification period with benefit reduction) and acknowledges liability for payment of any resulting claim.

- (33) DFA 842 (rev. 2/87) - Claim Determination Worksheet

The DFA 842 is used to document claim determination computations.

e. Reserved

- f. (1) FNS-33 (rev. 4/78) - File Update - Food Coupon Shipping Point

The FNS-33 is used to report changes in bulk storage reporting and coupon shipment receiving points.

- (2) FNS-46 (rev. 8/89) - Issuance Reconciliation Report

The FNS-46 is used to report the results of monthly reconciliation activities.

- (3) FNS-135 (rev. 7/89) - Affidavit of Return or Exchange of Food Coupons

The FNS-135 is used to document the return or exchange of food coupons.

- (4) FNS-209 (rev. 6/86) - Status of Claims Against Households

The FNS-209 is used to report information on CWD claim determination and collection activities.

- (5) FNS-250 (rev. 10/78) - Food Coupon Accountability Report

The FNS-250 is used to report data on coupon inventories.

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(Continued)

- (6) FNS-254 (rev. 1/82) - Food Stamp Program Authorization/Retailer
The FNS-254 is used to authorize a group living arrangement as a retail food store.
- (7) FNS-259 (rev. 5/83) - Food Stamp Mail Issuance Report
The FNS-259 is used to report data on mail issuance activities.
- (8) FNS-260 (rev. 1/82) - Requisition for Food Coupon Books
The FNS-260 is used to order coupons.
- (9) FNS-261 (rev. 11/78) - Advice of Shipment
The FNS-261 is used by FNS to notify CWDs of the shipment of coupons.
- (10) FNS-292 (rev. 8/77) - Report of Coupon Issuance and Commodity Distribution for Disaster Relief
The FNS-292 is used to report the total number of persons certified for emergency coupon allotments and the total number of such allotments.
- (11) FNS-300 (rev. 2/90) - Advice of Transfer
The FNS-300 is used to report coupon transfers.
- (12) FNS-471 (rev. 4/86) - Coupon Account and Destruction Report
The FNS-471 is used to report the destruction of food coupons.
- (13) FS 8 (rev. 4/90) - Important Information About Required Verifications in the Food Stamp Program
The FS 8 is used to provide applicant/recipient households with information on verification requirements in the Food Stamp Program.

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- (14) Section 63-103.2f.(14)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) FS 22 (rev. 12/03) - Applying for Food Stamp Benefits
- FS 22 QR is a required form, but substitutes are permitted if CWD obtains prior approval. The form is used to reflect the change to QR for most food stamp households. This form is used for all NAFS households.
- (15) Section 63-103.2f.(15)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) FS 23 QR (rev. 5/04) - How to Report Household Changes
- FS 23 QR is a required form, but substitutes are permitted if CWD obtains prior approval. The FS 23 QR informs about reporting requirements for the Food Stamp Program, which include reporting changes on the QR 7, mandatory mid-quarter reports and voluntary mid-quarter reports.
- g. Reserved
- h. Reserved
- i. (1) INS I-688 (any rev. date acceptable) - Temporary Resident Card; INS I-688A - Employment Authorization Card; and INS I-688B - Employment Authorization Document.
- The INS I-688, INS I-688A, and INS I-688B are used for the verification of alien status as specified in Section 63-300.51(b)(3)(A).
- (2) INS G-639 (rev. 1/88) - Freedom of Information/Privacy Act Request
- The INS G-639 is used for the verification of alien status.
- (3) INS I-94 (any rev. date acceptable) - Arrival-Departure Record
- The INS I-94 is used to reflect short-term employment authorization in special circumstances.

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(Continued)

- (4) INS I-179 (rev. 1/73) - U.S. Citizen Identification Card

The INS I-179 is an identification card used to identify resident citizens in the United States.

- (5) INS I-551 (any rev. date acceptable) - Resident Alien Card

The INS I-551 is used to verify alien status.

- j. (1) BC JA 2 CA 2/DFA 285-A2 (rev. 11/92) - Statement of Facts Cash Aid and Food Stamps

The BC JA 2 CA 2/DFA 285-A2 is completed by applicants and is used to collect the information necessary to determine an applicant's eligibility and benefit level. This form is comparable to DFA 285-A2.

- k. Reserved

- l. Reserved

- m. (1) MC 177-SA-M (rev. 7/89) - Record of Health Cost - Share of Cost

The MC 177-SA-M is used to verify a Medi-Cal recipient's health care costs.

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- (2) MC 194 (rev. 9/82) - Social Security Administration Referral Notice

The MC 194 is a recommended form used to verify that an application for a Social Security Number has been completed.

- n. (1) Section 63-103.2n.(1)(MR) shall become inoperative and Section 63-103.2n.(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

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(MR) NA 960X (rev. 6/93) - Notice of Action/CA 7 not Received

The NA 960X is the recommended CDSS developed form used to notify monthly reporting households that a CA 7 has not been received and that benefits may be affected as a result.

(QR) NA 960X QR (rev. 4/04) - Notice of Action/QR 7 not Received

The NA 960X QR is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. The form is used to notify QR households that a QR 7 has not been received and that benefits may be affected as result.

(2) Section 63-103n.(2)(MR) shall become inoperative and Section 63-103n.(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) NA 960Y (rev. 8/93) - Notice of Action/CA 7 Incomplete -Discontinuance Reminder

The NA 960Y is the recommended CDSS developed form used to notify monthly reporting households that a CA 7 is incomplete and that benefits may be affected as a result.

(QR) NA 960Y QR (rev. 4/04) - Notice of Action/QR 7 Incomplete-Discontinuance Reminder

The NA 960Y QR is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. The form is used to notify QR households that a QR 7 is incomplete and that benefits may be affected as a result.

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o. Reserved

p. Reserved

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- q. (1) Sections 63-103.2q.(1)(QR) through (12)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (QR) (2) QR 2 (rev. 4/03) - Reporting Changes for Your Cash Aid Assistance Unit and Food Stamp Household
- QR 2 is a CDSS-recommended form, and may be modified or substituted without prior approval. The form is used to inform the recipient of their income reporting threshold (IRT) and reporting responsibilities. The QR 2 is sent to the client on a quarterly basis and is used to satisfy the requirement in Welfare and Institutions Code Sections 11265 and 18910 to inform clients of their IRT at least once per quarter. The form also includes information for food stamp households regarding ABAWD reporting and mid-quarter reporting.
- (QR) (3) QR 3 (rev. 4/03) - Mid-Quarter Status Report
- QR 3 is a CDSS-recommended form, and may be modified or substituted without prior approval. This form is used for CalWORKs clients who choose to report mandatory and/or voluntary mid-quarter changes in writing. Clients are not mandated to use this form, and counties must accept verbal or written mid-quarter reports that are submitted in a manner other than on the QR 3.
- (QR) (4) QR 7 (rev. 4/03) - Quarterly Eligibility/Status Report
- QR 7 is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. This form is used by the recipient to report income for the Data Month in each QR Payment Quarter. This form includes an addendum listing examples of income, expenses, and the penalties for fraud. The QR 7 and the addendum (both together are considered one form) must be sent to the recipient at the end of their QR Data Month. The QR 7's certification section has a statement that the client has received the addendum and a place where the recipient will attest to its receipt. The addendum is not required to be returned with the QR 7, which will be considered late if not received by the 11th day of the QR Submit Month.

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- (QR) (5) QR 7A (rev. 4/03) - How to fill out your QR 7

QR 7A is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. This form instructs recipients on how to fill out the QR 7. The QR 7A must be given to applicants at the time of application, and to recipients at each annual recertification/redetermination. This form must also be made available any time a client requests it.

- (QR) (6) QR 22 (rev. 9/03) - Sponsor's Statement of Facts Income/Resources

The QR 22 is a required form, but substitutes are permitted if CWD obtains prior approval. It is used to collect necessary information about a noncitizen's sponsor in order to determine eligibility for the noncitizen.

- (QR) (7) QR 72 (rev. 5/04) - Sponsor's Quarterly Income and Resources Report.

The QR 72 is a CDSS-required form, but substitutes are permitted if CWD obtains prior approval. This form must be sent to sponsored noncitizens with the QR 7 each quarter.

- (QR) (8) QR 285-B (rev. 2/04) - Food Stamp Budget Worksheet.

The QR 285-B is a CDSS-recommended form, and may be modified or substituted without prior approval. This form is used to determine food stamp benefits amounts, and to reaverage benefit amounts after a mid-quarter report is made by a recipient. The QR 285-B is used for food stamp households subject to QR and change reporting, and for mid-quarter changes.

- (QR) (9) QR 377.1 (rev. 4/04) - Notice of Approval

The QR 377.1 is a CDSS-required form, and no substitutes are permitted. This form is used to inform households of their approval for food stamp benefits and their certification period.

- (QR) (10) QR 377.2 (rev. 4/04) - Food Stamp Notice of Expiration of Certification

The QR 377.2 is used to inform change reporting households that their certification period will expire.

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(Continued)

(QR) (11) QR 377.4 (rev. 1/04) - Food Stamp Notice of Change For Quarterly Reporting Household

The QR 377.4 is a CDSS-required form, and no substitutes are permitted. This form is used to inform QR households of changes, suspensions, and termination of benefits.

(QR) (12) DFA 377.5 QR (rev. 2/04) - Food Stamp Household Change Report

The DFA 377.5 is used to report information on changes in household circumstances by households not subject to QR requirements.

r. Reserved

s. (1) SAWS 1 CA1/DFA 285-A1 (rev. 9/90) - Application for Cash Aid, Food Stamps, and/or Medical Assistance

The SAWS 1 CA1/DFA 285-A1 is completed by applicants and is used to identify households entitled to expedited service. This form is comparable to the DFA 285-A1.

(2) Section 63-103.2s.(2)(MR) shall become inoperative and Section 63-103.2s.(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) SAWS 2A CA2/DFA 285-A2/MC210 (rev. 5/92) - Important Information for Applicants and Recipients for Cash Aid, Food Stamps, and Medical Assistance

The SAWS 2A CA 2/DFA 285-A2/MC210 is used to inform applicants for cash aid, food stamps, and medical assistance of important information, including their rights and responsibilities.

(QR) SAWS 2A QR (rev. 8/03) - Rights, Responsibilities and Other Important Information

SAWS 2A QR is a CDSS-required form, and no substitutes are permitted. The form is used to inform applicants for cash aid, food stamps, and medical assistance of important information, including their rights and responsibilities.

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- (3) SSA-2853-OP3 (rev. 6/89) - Information About When You Will Receive Your Baby's Social Security Card

The SSA-2853-OP3 is used to verify that an application for a Social Security Number has been filed by a hospital official for a newborn.

- (4) SSA-5028 (any rev. date acceptable) - Receipt of Application for a Social Security Number

The SSA-5028 is used to verify that an application for a Social Security Number has been completed.

- t. (1) Section 63-102.2t.(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) TEMP QR 1 (rev. 8/03) - New Reporting Requirements for CalWORKs and Food Stamp Recipients

TEMP QR 1 is a CDSS-required form, and no substitutes are permitted. The form serves as an informing notice sent to recipients on a monthly basis for a period of three months before, and three months after, implementation of QR. The TEMP QR 1 should also be provided to applicants who apply for benefits during this phase. The TEMP QR 1 explains the change from monthly reporting to QR.

- u. Reserved
- v. Reserved
- w. Reserved
- x. Reserved
- y. Reserved
- z. Reserved

NOTE: Authority cited: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 18904, 11265.1, .2, and .3, and 18910, Welfare and Institutions Code; 7 CFR 273.2(b)(ii), (e) and (f); U.S.D.A. Food and Consumer Services Administrative Notice No. 94-22, dated January 7, 1994, Federal Register, Vol. 66, No. 229, dated November 28, 2001; and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

63-300 APPLICATION PROCESS 63-300

Section 63-300 applies to the application process for both the federal Food Stamp Program and the California Food Assistance Program (CFAP).

.1 General Process

The application process includes filing and completing an application, being interviewed, and having certain information verified. The CWD shall act promptly on all applications and provide food stamp benefits retroactive to the month of application to those households that have completed the application process and have been determined eligible. Expedited service shall be available to households that qualify under the provisions of Section 63-301.5. Specific responsibilities of the household and CWD are detailed below.

.2 Application Form and Form Deviation

Section 63-300.2(MR) shall become inoperative and Section 63-300.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) All applications for Food Stamp Program eligibility shall be made on the DFA 285-A1, DFA 285-A2, and DFA 285-A3. For households which apply for both AFDC and Food Stamps at the same time, the SAWS 1 CA1/DFA 285-A1, and BC JA 2 CA2/DFA 285-A2, and SAWS 2A CA2/DFA 285-A2/MC 210 shall be used. These forms also may be used for Food Stamp only cases. These joint application forms also may be used for food stamp and/or General Assistance (GA) cases.

(QR) All applications for Food Stamp Program eligibility shall be made on the DFA 285-A1, DFA 285-A2, and DFA 285-A3 QR. For households which apply for both CalWORKs and food stamps at the same time, the SAWS 1 CA1/DFA 285-A1, and BC JA 2 CA2/DFA 285-A2, and SAWS 2A QR/DFA 285-A2/MC 210 shall be used. These joint application forms also may be used for food stamp only cases and/or General Assistance (GA) cases.

.21 Screening

Applicants shall not be required to complete any CWD developed prescreening form.

.22 IEVS Interface

All applicants for, and recipients of food stamp benefits shall be notified in writing at the time of application, and at each recertification, that information available through IEVS will be requested, used, and may be verified through collateral contact when discrepancies are found by the CWD, and that such information may affect the household's eligibility and level of benefits.

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- .23 Privacy act statement. For all households applying or being recertified for food stamp benefits, the following applies:
 - .231 The collection of information, including the Social Security Number (SSN) of each household member, is authorized under the Food Stamp Act of 1997. This information will be used to determine if a household is eligible or continues to be eligible to participate in the food stamp program. The information will be verified through computer matching program and will also be used to monitor compliance with program regulations and for program management.
 - .232 The information may be disclosed to other federal and state agencies for official examination, and to law enforcement for apprehending persons fleeing to avoid the law.
 - .233 If a claim is made against a household, the information on the application, including all SSNs, may be referred to federal and state agencies and private claims collection agencies for claims collection action.
 - .234 Providing the requested information, including SSNs of each household member, is voluntary. However, failure to provide this information will result in denial of food stamp benefits to each individual failing to provide a SSN.

- .24 Section 63-300.24(MR) shall become inoperative and Section 63-300.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Recertification of Monthly Reporting Households

Households subject to Food Stamp monthly reporting requirements shall have their Food Stamp eligibility redetermined by using the forms specified in Section 63-300.2 and the CA 7 for the budget month that corresponds to the first month of the new certification period.

(QR) Recertification of Quarterly Reporting Households

(QR) Households subject to food stamp QR requirements shall have their food stamp eligibility redetermined by using the forms specified in Section 63-300.2 and the QR 7 for the Submit Month that corresponds to the last month of the certification period.

- .25 Section 63-300.25(MR) shall become inoperative and Section 63-300.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

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(MR) Recertification of Nonmonthly Reporting Households

(MR) Nonmonthly reporting households shall have their Food Stamp eligibility redetermined by using the forms specified in Section 63-300.2.

(QR) Recertification of Change Reporting Households

(QR) Change reporting households shall have their food stamp eligibility redetermined by using the forms specified in Section 63-300.2.

.3 Filing, Notice of Right to File and Withdrawal

Households must file food stamp applications by submitting the forms to the food stamp office either in person, or through an authorized representative, by mail, fax, through an electronic transmission, or through an on-line electronic application. The length of time to deliver benefits is calculated from the date the application is filed with the CWD. Applications signed through the use of electronic signature techniques or applications containing a handwritten signature and then transmitted by fax or other electronic transmission are acceptable.

.31 Each household shall be advised of their right to file an application, either paper or electronic, on the same day they contact the Food Stamp office during office hours.

.32 The household shall also be advised that it does not have to be interviewed before filing the application and may file an incomplete application form as long as the form contains the applicant's name and address, and is signed by a responsible member of the household or the household's authorized representative.

.321 Applications contain the penalty of perjury statement and must be signed by one adult household member or authorized representative or a responsible minor when the applicant household is composed entirely of minors and has no adult to act on its behalf.

.322 One adult household member or authorized representative shall attest, under penalty of perjury, that all eligible members of the Food Stamp household are either U.S. citizens, national or lawful alien residents.

.33 The CWD shall document the date the application was filed by recording on the application the date it was received by the food stamp office.

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.34 Contacting the Food Stamp Office

The CWD shall encourage households to file an application form the same day the household or its representative contacts the food stamp office in person or by telephone and expresses interest in obtaining food stamp assistance. If a household contacting the food stamp office by telephone does not wish to come to the appropriate office to file the application that same day and instead prefers receiving an application through the mail, an application form shall be mailed to the household on the same day the telephone request is received. An application shall also be mailed on the same day a written request for food assistance is received.

Where the CWD has designated certification offices to serve specific geographic areas, households may contact an office other than the one designated to service the area in which they reside. If a household contacts the wrong certification office within the county, either in person or by telephone, the certification office shall, in addition to meeting the above requirements, give the household the address and telephone number of the appropriate office. The certification office shall also offer to forward the household's application to the appropriate office on that same day if the household has completed enough information on the application to file. The household shall be informed that its application will not be considered filed and the processing standards shall not begin until the application is received by the appropriate office. If the household has mailed its application to the wrong office the certification office shall mail the application to the appropriate office on the same day as received. The filing date will be the day the appropriate office receives the application.

The CWD shall make application forms readily accessible to potentially eligible households. The application form shall be provided to anyone who requests the form.

.35 Notice of Right to File

The CWD shall post signs in the certification office which explain the application processing standards and the right to file an application on the day of initial contact.

.36 Withdrawing Application

The household may voluntarily withdraw its application at any time prior to the determination of eligibility. The CWD shall document in the case file the reason for withdrawal, if any was stated by the household, and that contact was made with the household to confirm the withdrawal. The household shall be advised of its right to reapply at any time subsequent to a withdrawal.

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.37 Written Statement of Verification Requirements

At the time of application and at recertification the CWD shall provide the household with the FS 8. The notice shall inform the household that the CWD will assist them in obtaining required verification, provided that the household is cooperating with the CWD as specified in Section 63-505.1.

.38 Beginning Date of Application When CWD is Closed on Normal Work Days

.381 In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an application for Food Stamp benefits is deposited in a drop box, mail slot, or other reasonable accommodation in accordance with Section 11-601.311(b), the "date of application" shall be the date the application is deposited.

.382 In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an applicant calls to make a request for emergency benefits in accordance with Section 11-601.313, the date of application shall be the date the telephone call is received.

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.383 Example: On Friday, when the CWD is closed, an applicant deposits an application for Food Stamp benefits in a mail slot designated for that purpose. The application will be date stamped with Friday's date or it will be otherwise indicated on the application that it was received on Friday, the date of application. Had the applicant made a request for Homeless Assistance, Food Stamp Expedited Services, Medi-Cal, or AFDC Immediate Need via the local telephone service on Friday, the date of application would be Friday and the application would have to be processed within established time frames.

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63-300 APPLICATION PROCESS (Continued)**63-300****.4 Interviews**

All applicant households, including those submitting applications by mail, shall have face-to-face interviews in a food stamp office or other mutually acceptable location, including a household's residence, with a qualified eligibility worker prior to initial certification and all recertifications except when waived in accordance with Sections 63-300.42, .43, and .44. Interview requirements for PA and GA applicants are detailed in Section 63-301.6. Interviews conducted in the household's residence must be scheduled in advance with the household. The individual interviewed may be the head of household, spouse, any other responsible member of the household, or an authorized representative. The individual interviewed may bring any person he/she chooses to the interview. The interviewer shall not simply review the information that appears on the application, but shall explore and resolve with the household unclear and incomplete information and document any changes in household circumstances that have occurred between the time the application was filed and the time of the certification interview. Households shall be advised of their rights and responsibilities during the interview, including but not limited to, the appropriate application processing standard, the household's responsibility to report changes, that eligibility will be determined without discrimination, and the availability and amount of the Standard Utility Allowance (SUA). The interview is an official and confidential discussion of household circumstances with the applicant. The applicant shall be made to feel at ease during the interview and in all instances the household's right to privacy shall be respected. Facilities shall be adequate to preserve the privacy and confidentiality of the interview. The scope of the interview shall not extend beyond the examination of household circumstances which directly relate to the determination of household eligibility and basis of issuance.

.41 Sections 63-300.41 et seq.(MR) shall become inoperative and Sections 63-300.41 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD at the time of the interview, shall determine which households shall be subject to monthly reporting and/or retrospective budgeting, as specified in Section 63-505.2. Households subject to monthly reporting and/or retrospective budgeting requirements shall be provided with the following at the certification and recertification interviews:

(MR) .411 Written and verbal explanations of monthly reporting/retrospective budgeting;

(MR) .412 A copy of the CA 7 report and an explanation of how the report shall be completed and submitted;

(MR) .413 An explanation of the monthly reporting verification requirements that the household is responsible for meeting;

(MR) .414 A telephone number (toll-free or a number where collect calls will be accepted from households living outside the local calling area) which the household may call to ask questions or to obtain help in completing the monthly report.

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(QR) The CWD at the time of the interview, shall determine which households shall be subject to QR and PB, as specified in Section 63-505.2. Households subject to QR and PB requirements shall be provided with the following at the certification and recertification interviews:

(QR) .411 Written and verbal explanations of QR/PB;

(QR) .412 A copy of the QR 7 report and an explanation of how the report shall be completed and submitted;

(QR) .413 An explanation of the QR verification requirements that the household is responsible for meeting;

(QR) .414 A telephone number (toll-free or a number where collect calls will be accepted from households living outside the local calling area) which the household may call to ask questions or to obtain help in completing the quarterly report.

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.415 The CWD may provide the name of a worker to contact.

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.42 Waiving the Interview (CWD Screening Process)

The CWD shall screen applicants for the need to have face-to-face interviews as part of the application and recertification process. If mutually acceptable face-to-face interview accommodations between the county and applicant/recipient cannot be made, the county shall then evaluate whether the household qualifies for an exemption as specified in Sections 63-300.43 and .44.

.43 Waiving the Face-to-Face Interview (No Option)

The face-to-face interview shall be waived if requested by any household which is unable to appoint an authorized representative and which has no household members able to come to the interview because they are 65 years of age or older, or physically disabled and whose members have no earned income. The face-to-face interview shall also be waived if requested by any household which is unable to appoint an authorized representative and lives in a location which is not served by a certification office.

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.44 Waiving the Face-to-Face Interview (Case-by-case)

The CWD shall waive the face-to-face interview and instead allow a telephone interview on a case-by-case basis for any household which is unable to appoint an authorized representative and which has no household members able to come to the interview because of transportation difficulties or similar hardships which the CWD determines warrant a waiver of the interview. These hardship conditions include, but are not limited to: illness, care of a household member, prolonged severe weather, or work hours which preclude a face-to-face interview, lack of transportation, or living in a rural or remote area. The CWD shall determine if the transportation difficulty or hardship reported by a household warrants a waiver of the interview and shall document in the case file why a request for a waiver was granted or denied.

.45 When the Interview is Waived

The CWD has the option of conducting a telephone interview or a home visit for those households for whom the face-to-face interview is waived. Home visits shall be used only if the time of the visit is scheduled in advance with the household.

Waiver of the face-to-face interview does not exempt the household from the verification requirements, although special procedures may be used to permit the household to provide verification and thus obtain its benefits in a timely manner, such as substituting a collateral contact in cases where documentary verification would normally be provided.

Waiver of the face-to-face interview shall not affect the length of the household's certification period.

There is no limit to how many times a household may be certified based on telephone interviews. However, the case file must be adequately documented each time the face-to-face interview is waived.

.46 Scheduling Initial Application Interviews

The CWD shall schedule all interviews as promptly as possible to ensure eligible households receive an opportunity to participate within 30 days after the application is filed. The special circumstances of the household, including households with working members, must be considered to the extent practicable, when interviews are scheduled. If a household misses its scheduled interview, the CWD shall send the household a Notice of Missed Interview (NOMI). The CWD shall reschedule if the household requests another interview within 30 days of the initial application filed.

63-300 APPLICATION PROCESS (Continued) 63-300

- .461 The CWD shall not deny a household's application prior to the 30th day after initial application if the household fails to appear for the first scheduled interview. A NOMI must be sent to the household reminding the household to reschedule their interview prior to the 30th day after application. Only after the NOMI is sent and the household fails to reschedule, can the CWD send a denial notice on the 30th day after application.
- .462 If the household requests a second interview during the 30-day application-processing period and is determined eligible, the CWD must issue prorated benefits from the date of application.
- .463 If the household fails to keep its second scheduled interview, a notice of denial must be issued no earlier than the 30th day after application.

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Example 1: The household applies on March 1 and is scheduled for an interview by the CWD on March 5. The household misses the first scheduled interview. The household is sent a NOMI and asked to reschedule their interview appointment. They reschedule within 30 days of the application date on March 10. The household keeps their March 10 appointment. The case is processed for eligibility. If eligible, the case is granted as soon as administratively possible and benefits are issued from the date of application. If the household is found to be ineligible for benefits, the case is denied on the 30th day after application.

Example 2: The household applies on April 5 and is scheduled for an interview by the CWD on April 6. The household fails to appear for the first scheduled interview. The CWD sends a NOMI as soon as administratively possible. The household reschedules a second interview within 30 days of the application date, but fails to appear. The CWD must deny the household on the 30th day following the date of application.

The NOMI process will not impact the recertification process.

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- .464 Scheduling Recertification Interviews
 - (a) As part of the recertification process, the CWD must conduct a face-to-face interview with a member of the household or its authorized representative at least once every 12 months for households certified for 12 months or less. The requirement for a face-to-face interview once every 12 months may be waived in accordance with Sections 63-300.43 and .44.

63-300 APPLICATION PROCESS (Continued)**63-300**

- (b) If a household receives PA/GA and will be recertified for food stamps more than once in a 12-month period, the CWD may choose to conduct an in-office face-to-face interview with that household only once during that period. At any other recertification during that year period, the CWD may interview the household by telephone, conduct a home visit, or recertify the household by mail.
- (c) CWDs shall schedule interviews so that the household has at least 10 days after the interview in which to provide verification before the certification period expires.

.465 In-office Interviews During the Certification Period

CWDs may request households to report for an in-office interview during the certification period, but may not require it. If a mutually acceptable location outside the office cannot be agreed upon by the household and the CWD, the interview shall take place in the office.

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For example: the CWD may not require households to report en mass for an in-office interview during their certification period to review the household's case files or for any other reason during the certification period.

HANDBOOK ENDS HERE**.5 Verification**

- (a) Verification is the use of third-party information or documentation to establish the accuracy of statements on the application. Verification and documentation are tools for making this judgement and recording the decision-making process in the case file.
 - (1) Prior to determining eligibility for applicant households, sufficient information concerning the applicant's situation must be obtained in order for the EW to make an informed judgement as to the household's eligibility. The household shall be given at least 10 days from the date of request to provide required verification. If the household does not provide the needed information in the time allotted, the CWD shall issue an adverse notice of action by the 30th day following the application date.

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- (2) During the certification period, the CWD may obtain information about changes in a household's circumstances, other than information reported on the income report, through a third party or the household that the CWD cannot use to clearly determine eligibility and/or benefit amount. The CWD must pursue clarification using the following procedure:
 - (A) The CWD must issue a Request for Information (RFI) which advises the household of the verification it must provide or actions it must take to clarify the household's circumstances.
 - (B) The CWD must allow the household at least 10 days to respond or to clarify its circumstances either by telephone or by correspondence, as the CWD directs.
 - (C) If the household does provide sufficient information to clarify its circumstances, the CWD must issue a notice of adverse action to terminate the household after at least 10 days has been given to the household to respond.
 - (D) If the household responds to the RFI and provides sufficient information, the CWD must act on the new circumstances in accordance with noticing procedures for increases or decreases in benefits.

- (b) If the household's certification cannot be completed by the end of its current certification period due to the 10-day time period allowed for submitting verification, the CWD shall provide benefits within five working days after the verification is received. Benefits shall not be prorated from the date verification is received; the household shall receive a full month of benefits.

- (c) If obtaining verification of a deductible expense may delay the household's certification beyond the normal processing time frame, the CWD shall advise the household that its eligibility and benefit level may be determined without providing a deduction for the claimed, but unverified expense.

- (d) Section 63-300.5(d)(MR) shall become inoperative and Section 63-300.5(d)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) If the expense cannot be verified within 30 days of the date of application, the CWD shall determine the household's eligibility and benefit level without providing a deduction for the unverified expense. If the household subsequently provides the missing verification, the CWD shall redetermine the household's benefits, and provide increased benefits, if any, in accordance with the timeliness standards in Section 63-504.35 for monthly reporting households and Section 63-504.42 for nonmonthly reporting households.

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The household shall be entitled to the restoration retroactive to the month of application of benefits denied as a result of the disallowance of the expense, only if the expense could not be verified within the 30-day processing standard because the CWD failed to allow the household sufficient time, as defined in Section 63-301.4, to verify the expense. If the household would be ineligible unless the expense is allowed, the household's application shall be handled as provided in Section 63-301.4.

For verification requirements for the CA 7, refer to Sections 63-504.325, .326 and .341.

(QR) If the expense cannot be verified within 30 days of the date of application, the CWD shall determine the household's eligibility and benefit level without providing a deduction for the unverified expense. If the household subsequently provides the missing verification, the CWD shall redetermine the household's benefits, and provide increased benefits, if any, in accordance with the timeliness standards in Section 63-508.66 for QR households and Section 63-504.42 for change reporting households.

The household shall be entitled to the restoration retroactive to the month of application of benefits denied as a result of the disallowance of the expense, only if the expense could not be verified within the 30-day processing standard because the CWD failed to allow the household sufficient time, as defined in Section 63-301.4, to verify the expense. If the household would be ineligible unless the expense is allowed, the household's application shall be handled as provided in Section 63-301.4.

For verification requirements for the QR 7, refer to Sections 63-508.45 and 63-508.613.

(e) **Mandatory Verification**

The CWD shall verify the following information prior to certification for households initially applying:

(1) **Gross Nonexempt Income**

Gross nonexempt income shall be verified for all households prior to certification. However, where all attempts to verify the income have been unsuccessful because the person or organization providing the income has failed to cooperate with the household and the CWD and all other sources of verification are unavailable, the CWD shall determine an amount to be used for certification purposes based on the best available information. Best available information may include an applicant's affidavit.

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.6 Receipt of Verification/Documentation

Upon request, CWDs shall provide a written receipt to any applicant or recipient who hand delivers documents that have been requested by the CWD. Receipts shall only be provided for documents which have been delivered in person to a CWD employee other than the applicant's or recipient's regularly assigned caseworker and to the location in which or through which the caseworker and to the location in which or through which the caseworker conducts his or her business. (Only one receipt is required for monthly income reports and their supporting documents.)

.61 Notice of Right to a Receipt

CWDs shall post a notice of the applicant's or recipient's right to a receipt in a prominent location and in an area where documents are regularly received.

.62 Exemptions from Receipt Requirements

.621 A CWD which maintains a system of logging hand delivered documents shall be exempt from the requirement to provide a receipt or post notice of right to a receipt.

.622 A CWD which provides receipts for all hand delivered documents without a request by an applicant or recipient shall be exempt from the notice posting requirement.

.623 Section 63-300.623(MR) shall become inoperative and Section 63-300.623(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A CWD which receives monthly income reports and other requested documents which have been mailed by the applicant or recipient shall not be subject to the requirements in this section.

(QR) A CWD which receives quarterly income/eligibility reports and other requested documents which have been mailed by the applicant or recipient shall not be subject to the requirements in this section.

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NOTE: Authority cited: Sections 10554, 11265.1, .2 and .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11023.5, 11265.1, .2, and .3, 11348.5, 18901.10, 18904, 18910, and 18932, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 273.2(b)(ii), (c)(2)(i) and (ii), (c)(3), (c)(5), (e)(1), (e)(2), (e)(3), (f)(1)(i)(C), (ii)(B)(1), (2), (3), and (C), and (iii)(h)(1)(i)(D), and proposed (f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(3), (f)(3)(ii), (f)(8), (h), (h)(1)(i)(D), and (j)(1); 7 CFR 273.4(a)(2) and (10) and (c)(2); 7 CFR 273.7(i)(4) and (j)(1); 7 CFR 273.12(c) and (c)(3); 7 CFR 273.14(b)(3)(i), (iii) and (b)(4) and (e); 7 CFR 273.21(h)(2)(iv), (i), and (j)(3)(iii)(B); USDA Food and Nutrition Service Office, Western Region, Administrative Notice 84-56, Indexed Policy Memo 84-23; Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver dated April 1, 2003; 7 U.S.C.A. 2020(e)(2); Americans with Disabilities Act (ADA), Public Law (P.L.) 101-336, 1990; U.S.D.A., Food and Consumer Services, Administrative Notice No. 94-22, dated January 7, 1994; Chapter 306, Statutes of 1988, and AB 1371, Chapter 306, Statutes of 1995; Blanco v. Anderson Court Order, United States District Court, Eastern District of California, No. CIV-S-93-859 WBS, JFM, dated January 3, 1995, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued)

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- (d) The applicant and all other household members shall be registered for work prior to certification unless exempt from this requirement per Section 63-407.2. The CWD shall attempt to verify questionable work registration exemptions, but shall postpone these efforts if they cannot be accomplished within expedited service time frames.
- .542 Once the household has supplied the name of a collateral contact or has asked the CWD for assistance in locating a collateral contact, the CWD shall promptly contact the collateral contact or otherwise assist the household in obtaining the necessary verification.
- .543 Households that are certified on an expedited basis and have provided all necessary verification required by Section 63-300.5 within the expedited services time frame as specified in Section 63-301.531 shall be assigned a normal certification period.
- (a) Households which apply for benefits after the 15th day of the month and have been determined eligible to receive benefits for the initial month and the subsequent month shall receive both allotments at the same time, in accordance with Section 63-503.16.
- .544 Households that are certified on an expedited basis and whose verification is postponed shall be assigned certification periods as follows:
- (a) One-Month Certification
- Section 63-301.544(a)(MR) shall become inoperative and Section 63-301.544(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Nonmonthly reporting households that apply on or before the 15th day of the calendar or fiscal month shall be certified for one month only.
- (1) Benefits for the initial month shall be prorated from the date the application was filed to the end of that calendar or fiscal month.
- (2) Households shall reapply and complete the verification which was postponed, unless they have been certified under normal processing standards since the last expedited certification.
- (QR) Change reporting households that apply on or before the 15th day of the calendar or fiscal month shall be certified for one month only.

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(b) Longer Than One-Month Certification

(1) Section 63-301.544(b)(1)(MR) shall become inoperative and Section 63-301.544(b)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Nonmonthly reporting households applying after the 15th day of the calendar or fiscal month shall be certified only for the month of application, and the subsequent month.

(QR) Change reporting households applying after the 15th day of the calendar or fiscal month shall be certified only for the month of application, and the subsequent month.

(2) Section 63-301.544(b)(2)(MR) shall become inoperative and Section 63-301.544(b)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly reporting households shall be assigned a normal certification period as specified in Section 63-504.1.

(QR) QR households shall be assigned a normal certification period as specified in Section 63-504.1.

.545 When a certification period of longer than one month is assigned, the CWD shall notify the household, in writing that:

(a) No further benefits will be issued until the postponed verification, except as specified in Section 63-301.545(a)(2), is completed and the household's participation shall be terminated if the verification for income, resources, residency (except for homeless households), or any deduction, except for unverified child support, is not completed within 30 days following the date the application was filed.

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63-301 APPLICATION PROCESSING TIME STANDARDS (Continued)**63-301**

- (1) Migrant households shall receive the second months benefits if the only missing verification is from an out-of-state source. However, the out-of-state verification shall be completed within 60 days following the date the application was filed or if not the household's participation shall be terminated.
 - (2) A household with an unverified child support obligation and/or amount of child support paid shall not be terminated, but instead have its eligibility and benefit level determined without a child support deduction as specified in Section 63-300.51(j).
- (b) The individual household member's participation shall be terminated if proof of alien or student status has not been provided or if a SSN or proof that one has been applied for has not been provided within 30 days following the date the application was filed. Benefits to the remaining household members shall be recalculated and issued as otherwise eligible.
- (1) Migrant household members shall be treated as specified in Section 63-301.545(a)(1), if the missing verification is from an out-of-state source.
- (c) If verification results in changes in the household's eligibility or level of benefits, the CWD shall act on those changes without advance notice.

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued)

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- .546 When households which apply for benefits after the 15th of the month provide the required postponed verification, the CWD shall issue the second month's benefits within five working days from receipt of the verification or the first day of the second calendar month, whichever is later. In CWDs that have staggered issuance, this shall be the first working day of the second calendar month, not the day benefits are issued using staggered issuance. This first working day of the calendar month issuance provision shall also apply to issuance in the third month for those migrant farmworker households needing out-of-state verification as outlined in Section 63-301.543(c).
- .547 Migrant farmworker households shall be entitled to postpone out-of-state verification only once each migrant farm season.
- (a) The CWD shall grant a postponement of the out-of-state verification for only the initial month, if a migrant farmworker household requesting expedited service has already received this exception during the current migrant farm season.
- (b) For purposes of this section, a migrant farm season is defined as having a clear beginning point and ending point between which migrant farmworkers travel. When they are not migrating to work they are residing at one location which they regard as home. In this case, the season would be the period during which the migrants are traveling to work. If a migrant farmworker travels constantly with no break period, the season shall be considered the calendar year.
- .548 There is no limit to the number of times a household can be certified under expedited service procedures, as long as prior to each expedited certification, the household either completes the verification requirements that were postponed at the last expedited certification or was certified under normal processing standards since the last expedited certification.
- .549 Households requesting, but not entitled to expedited service shall have their applications processed according to normal standards.

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(c) See Handbook Section 63-503.212(a)(1)(A) for an example.

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.634 For all households, portions of initial PA payments intended to retroactively cover a previous month shall be disregarded as lump sum payments as specified in Section 63-502.2.

.7 Categorically Eligible PA Households

Any household, except those specified in Section 63-301.73, in which all food stamp eligible members receive or are authorized to receive PA benefits, shall be considered eligible for food stamps because of their status as PA recipients [Section 63-102(p)]. The following shall also be considered categorically eligible:

.71 Section 63-301.71(MR) shall become inoperative and Section 63-301.71(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Households subject to retrospective budgeting that have been suspended for PA purposes or that receive zero benefits.

(QR) Households subject to QR that receive zero benefits.

.72 The eligibility factors which shall be accepted for food stamp eligibility without verification are the resource, gross and net income limits; social security number information; sponsored alien information; and residency.

.73 When determining whether a household is to be considered PA categorically eligible, the CWD shall verify the following factors, only when questionable, as specified in Section 63-300.53.

.731 The household shall contain only food stamp eligible members that are PA recipients as defined in Section 63-102(p).

.732 The household shall meet the definition of a household as specified in Sections 63-102(h) and 63-402.

63-301	APPLICATION PROCESSING TIME STANDARDS (Continued)	63-301
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- .733 The household shall include all persons who purchase and prepare food together in one food stamp household regardless of whether or not they are separate units for PA purposes.
- .734 The household has not been disqualified or does not include persons who have been disqualified as specified in Section 63-301.73.
- .74 The following households shall not be considered categorically eligible and are subject to all food stamp eligibility and benefits provisions if:
 - .741 Any household member is disqualified for an intentional Program violation as specified in Section 63-805;
 - .742 Section 63-301.742(MR) shall become inoperative and Section 63-301.742(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (MR) The household fails to comply with the monthly reporting requirements specified in Section 63-504.32, and Sections 63-505.2, .3, and .4;
 - (QR) The household fails to comply with the QR requirements specified in Sections 63-508.4 and .613;
- .75 The following persons shall not affect the eligibility of an otherwise categorically eligible PA household:
 - .751 Ineligible non-citizens as defined in Section 63-403.1;
 - .752 Ineligible students as defined in Section 63-406;
 - .753 SSI recipients as defined in Section 63-102(s);
 - .754 SSN-disqualified persons as defined in Section 63-102(s);
 - .755 Persons institutionalized in an unauthorized facility as defined in Section 63-402.4;
 - .756 Household members who are disqualified for failure to comply with work requirements as specified in Section 63-407.4; or
 - .757 GA recipients who receive benefits from a GA program appropriate for categorical eligibility.

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued) 63-301

.76 For purposes of work registration, the exemptions specified in Section 63-407.2 shall apply to individuals in PA categorically eligible households. Any individual who is not exempt from work registration is subject to the work requirements specified in Section 63-407.

.8 GA Households

.81 CWDs shall advise all GA applicant households of their potential categorical eligibility for Food Stamp benefits and provide these households with a DFA 285-A1 and DFA 285-A2 or the joint application forms. GA households shall not be considered categorically eligible for Food Stamp benefits unless they receive, or are authorized to receive, benefits from a GA program appropriate for categorical eligibility as specified in Section 63-301.82.

.811 CWDs shall allow households in which all members are applying for GA benefits to leave a signed Food Stamp application, which contains, at a minimum, the household's name, address, and signature, at the GA office. The GA office shall forward the application that same day to the appropriate Food Stamp office for processing.

.812 The procedural and timeliness requirements that apply to the non-PA application process shall begin when the Food Stamp office receives the application. Since there may be a delay involved in the transferring of applications from GA offices to food stamp offices, households shall be advised that they may receive faster service if they take the application directly to the Food Stamp office.

.82 Categorically Eligible GA Households

.821 Any household, except those specified in Section 63-301.824, in which all food stamp eligible members receive or are authorized to receive GA benefits from a GA program which meets the following criteria, shall be considered eligible for food stamps because of their status as GA recipients.

- (a) The GA program must have income criteria equal to, or more restrictive than, the food stamp gross income test; and
- (b) The GA program must provide benefits as defined in Section 63-102g.(1)(A) and must not provide only one-time emergency payments; and
- (c) A signed certification that the county's GA program is appropriate for categorical eligibility is on file with the CDSS; or

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued)**63-301**

(d) The GA program has been certified by FNS as an appropriate program.

.822 The eligibility factors which shall be accepted for food stamp eligibility without verification are the resource (except resource transfers); gross and net income limits, sponsored noncitizen information; and residency.

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(a) Sponsored noncitizens shall continue to cooperate in providing sponsor information, as specified in Section 63-405.7, for use in determining benefit level.

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.823 When determining whether a household is to be considered GA categorically eligible, the CWD shall verify that the household contains only food stamp eligible members who are receiving, or are authorized to receive, GA from a GA program appropriate for categorical eligibility.

(a) Where household composition is questionable, the CWD shall determine that the household meets the definition of household as specified in Section 63-402 and contains no individuals disqualified as specified in Section 63-301.825.

.824 A household shall not be considered categorically eligible and is subject to all food stamp eligibility and benefit provisions if:

(a) The household refuses to cooperate in providing information to the CWD that is necessary for making an eligibility determination or for completing any subsequent review of eligibility;

(b) The household is disqualified because the head of household fails to comply with a work requirement as specified in Section 63-407.1;

(c) The household is ineligible under the striker provisions as specified in Section 63-402.8; or

(d) The household is ineligible because they knowingly transferred resources for the purpose of qualifying or attempting to qualify for the program as specified in Section 63-501.6.

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued)

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.94 Mixed FS households must meet the food stamp gross and net income standards of eligibility.

NOTE: Authority cited: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18901, 18904, and 18910, Welfare and Institutions Code; Section 11349.1, Government Code; 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.2(d)(1), (e)(3), (h)(1)(C), (h)(1)(i)(B) and (D), (h)(2)(i)(A), (i)(4)(iii)(B), (j), (j)(1), (j)(1)(iv), (j)(2)(iii) and (iv), (j)(3), (j)(4), and (j)(4)(vi); 7 CFR 273.4; 7 CFR 273.7 and .7(g)(1)(i); 7 CFR 273.8(e)(17); 7 CFR 273.9(d)(7) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.10(c)(1) and (g)(1)(ii); 7 CFR 274.2; (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) [Dock. No. CV-89-0768].); Public Law (P.L.) 102-237, Sections 902 and 905, as specified in Federal Administrative Notice 92-12, dated January 9, 1992; USDA, Food and Consumer Service, Administrative Notice 97-105, dated August 21, 1997; and P.L. 104-193, Sections 815 and 838 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Food and Consumer Service Waiver dated May 24, 1996; Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver dated April 1, 2003; Federal Food Stamp Policy Memos 82-9 dated December 8, 1981, and 88-4 dated November 13, 1987, and Federal Register, Vol. 66, No. 229, dated November 28, 2001.

63-409	INCOME AND RESOURCE MAXIMUMS (Continued)	63-409
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- .121 For all households, except as provided in Section 63-409.122, the resource limit shall be the amount specified in Handbook Section 63-1101.12.
- .122 For any household which includes at least one elderly or disabled member, the resource limit shall be the amount specified in Handbook Section 63-1101.11.

NOTE: Authority cited: Sections 10554 and 18904, Welfare and Institutions Code. Reference: 7 CFR 273.2(j)(4); and Section 4107, Food Stamp Reauthorization Act of 2002, P.L. 170-171 [7USC 2014(g)].

63-410	FOOD STAMP WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWD)	63-410
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An individual not exempt under Section 63-410.3 shall be ineligible for food stamps if, during the 36-month period identified in Section 63-410.1, the individual received food stamps for three months or more without satisfying the participation requirements or exemption criteria of Section 63-410.2 or .3, respectively. The 36-month period referred to in this section does not include any period prior to November 22, 1996. Months in which food stamps are received for only part of the month shall be counted when determining whether the eligibility requirement contained in this section has been met. Counties shall provide written information at application and recertification which outlines the requirements contained in Section 63-410.

- .1 36-month Period Defined; Tracking ABAWD Compliance
 - .11 The 36-month period identified in Section 63-410 begins November 22, 1996 for all food stamp recipients who are subject to the ABAWD work requirement on that date and such persons' compliance with this requirement shall begin on December 1, 1996. For all other food stamp applicants and recipients, the 36-month period begins on the first day of the first full calendar month such persons become subject to the ABAWD work requirement.
 - .12 The period identified in Section 63-410.11 is a fixed period which continues uninterrupted for 36 months regardless of the number of times an individual becomes exempt in accordance with Section 63-410.3 or leaves the Food Stamp Program and subsequently reapplies.
 - .13 A county is not required to begin tracking an individual's food stamp eligibility based on compliance with, or exemption from, the ABAWD work requirement until the first month of the 36-month period identified in Section 63-410.11.
 - .14 Each month the CWD is required to update the appropriate screen in the Medi-Cal Eligibility Data System (MEDS) to indicate an individual's work or exemption status. The update shall be done after the month's food stamp issuance and before the next month's food stamp issuance.

63-410	FOOD STAMP WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWD) (Continued)	63-410
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Example - An individual applies for food stamps for the first time in March 1997 and is determined exempt from the ABAWD work requirement. The individual's exemption ends during December 1997 and he becomes subject to the ABAWD work requirement as of January 1, 1998. The county would track the individual's ABAWD compliance or exemption status for all months food stamps are received during the 36-month period which began January 1, 1998 and ends December 31, 2000.

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.2 Satisfying the ABAWD Work Requirement

.21 The ABAWD work requirement is fulfilled by performing one of the following:

.211 Working 20 hours or more per week (averaged monthly);

- (a) The food stamp recipient shall submit documentation verifying the number of hours worked.

Section 63-410.211(a)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (QR) (1) A food stamp recipient who is satisfying the ABAWD work requirement through employment must report within 10 days when hours of work drop to below 20 hours per week or 80 hours per month. This mandatory recipient mid-quarter reporting requirement does not apply to persons who meet one of the exemptions at Section 63-410.3 or live in a county with an approved ABAWD waiver. Persons who are satisfying the ABAWD work requirement through a combination of education/training and employment of less than 20 hours per week are not subject to the mid-quarter requirement when hours of employment are reduced.
- (b) Hours worked for in-kind income shall count toward the 20-hour weekly minimum if the food stamp recipient provides documentation, such as pay stubs, verifying that the in-kind income being reported was an actual benefit received from the employer.

63-410	FOOD STAMP WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWD) (Continued)	63-410
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- .212 Participating in a workfare program as defined in Section 20 of the Food Stamp Act (7 U.S.C. 2029) or in a comparable program. This includes workfare job search identified in Section 63-407.841(b)(1)(A); or
- .213 Participating in an allowable “work program” for 20 hours or more per week (averaged monthly). For purposes of this section, an allowable work program means one of the following:
 - (a) A program under the Job Training Partnership Act;
 - (b) A program under Section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or
 - (c) A program of employment and training approved by a state agency, including the Food Stamp Employment and Training (FSET) program described in Section 63-407.8, and refugee employability services identified in 45 CFR 400.154.
 - (1) Hours spent in job search or job search training activities identified in Section 63-407.841(a) shall not count toward completion of the ABAWD work requirement.
- .22 Good Cause
 - .221 If an individual works an average of 80 hours per month but missed some scheduled work for a circumstance beyond his/her control and the absence is temporary and the individual retains his/her job, the individual shall have met the ABAWD work requirement for the month. As defined in Section 63-407.5, good cause for circumstances beyond the individual’s control includes, but is not limited to, illness, illness of another household member requiring the presence of the ABAWD, a household emergency, or the unavailability of transportation.
 - .222 An individual satisfying the ABAWD work requirement through FSET, who missed scheduled work in a month for a circumstance beyond his/her control provided in Section 63-410.221, shall have met the ABAWD work requirement and complied with the FSET assignment for that month.

63-410	FOOD STAMP WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWD) (Continued)	63-410
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.3 Exemptions

The following individuals are exempt from the ABAWD work requirement:

.31 Persons exempt from the work registration requirements as specified in Section 63-407.21;

.32 An individual who is:

.321 Under 18 or 50 years of age or over;

.322 Pregnant; or

.323 Any adult living in a household that contains a dependent child.

.33 Persons living in any portion of the state which has received Federal approval to waive application of the ABAWD work requirement shall also be considered exempt from the requirements of Section 63-410.

.34 Individuals who qualify for the 15 percent ABAWD exemption determined by the CWD. The number of individuals, who can be exempted by a CWD each year under this section, and the duration of these exemptions, are limited to the number of ABAWD exemption months allocated each year by CDSS to each CWD.

.35 Those months during which an individual is exempt for all or part of the month, in accordance with Section 63-410.3, shall not be considered in determining whether the participation requirement identified in Section 63-410 has been satisfied.

.36 Persons who become exempt after having lost eligibility in accordance with Section 63-410.4 or .522 are not subject to the ABAWD work requirement while exempt and may resume receiving food stamps by reapplying if otherwise eligible.

.4 Loss of Eligibility

.41 When the CWD determines that an individual has failed to meet the ABAWD work requirement for three countable months during the 36-month period identified in Section 63-410.1, the CWD shall issue a timely notice in the third month to discontinue the individual's food stamp benefits. In addition to the timely and adequate requirements specified in Section 63-504.21, the notice shall:

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- .411 Identify the reason the individual's food stamps are being discontinued;
- .412 List those months for which the CWD has determined that the ABAWD work requirement was not satisfied;
- .413 Provide that for any of the three countable months identified in Section 63-410.412 evidence may be presented that demonstrates the individual met or was exempt from the ABAWD work requirement, or that good cause existed in accordance with Section 63-410.221; and
- .414 Specify how the individual may regain eligibility in accordance with Section 63-410.5.
- .42 If the ABAWD provides evidence that demonstrates he/she should not lose food stamp eligibility, the CWD shall rescind the notice and restore any benefits that were inappropriately withheld.
- .43 The period of ineligibility shall begin with the first full month following expiration of the adverse notice period, unless a state hearing is requested. If a state hearing is requested, benefits shall continue in accordance with Section 63-804.6.
 - .431 Each individual has a right to a state hearing to appeal a termination or reduction of benefits due to a determination of nonexempt status, or a determination of failure to satisfy the ABAWD work requirement.
- .44 Determinations of ineligibility shall be made when the CWD becomes aware that a nonexempt recipient has failed to meet the requirements of Section 63-410.
- .45 Repealed by Manual Letter No. FS-97-05, effective 11/16/97
- .5 Regaining Eligibility
 - .51 An individual denied eligibility for failing to satisfy the ABAWD work requirement may regain eligibility if, during a 30-day period, the individual performs one of the following:
 - .511 Works for 80 or more hours;
 - .512 Participates in a workfare assignment.

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- (a) when an applicant regains eligibility by completing a workfare assignment during the 30-day application period, benefits shall be issued back to the date of application; or
- .513 Participates in an allowable work program as defined in Section 63-410.213 for at least 80 hours.
- .52 When, during the 36-month calendar period identified in Section 63-410.1, an individual stops performing the ABAWD work requirement after regaining eligibility in accordance with Section 63-410.51, the individual shall remain eligible for food stamps for a period of three consecutive countable months, beginning on the first month following the date the individual notifies the CWD or the CWD learns that the individual is not satisfying the ABAWD work requirement. The CWD shall provide a 10-day notice informing the individual of his/her change in status. If the individual has been meeting the ABAWD work requirement by participating in county workfare or another allowable work activity as specified in Section 63-410.213, the three consecutive countable months shall start the first month following the date the CWD notifies the individual that he/she is no longer meeting the ABAWD work requirement.
- .521 The three-month period of eligibility identified in Section 63-410.52 is available to an individual only once during a 36-month period. Upon completion of this three-month period, an individual is ineligible for food stamps for the remainder of the 36-month period, unless he/she becomes exempt or satisfies the ABAWD work requirement for each month food stamps are requested.

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Example - A nonexempt individual fails to comply with the 20-hour work requirement during months two, three and four of the 36-month period and so is ineligible for food stamps. In month seven, the client obtains employment and works more than 80 hours during that month. At the beginning of month eight, the client loses the job. The client can receive food stamps for months eight, nine, and ten, regardless of whether the ABAWD work requirement is satisfied. Beginning with month eleven and for the remaining months of the 36-month period, the client can only receive food stamps for those months during which he is exempt from or in compliance with the ABAWD work requirement.

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.522 When an individual fails to satisfy the ABAWD work requirement after completion of the three-month period identified in Section 63-410.52, requirements at Section 63-410.4 shall apply. However, the notice required by Section 63-410.41 shall specify that the individual can only receive food stamps if one of the conditions identified in Section 63-410.521 is met.

.523 Repealed by Manual Letter No. FS-04-02, effective 1/16/04.

.53 Notwithstanding any other provision of this section, when an individual fails without good cause to comply with an ABAWD work requirement and the noncompliance is a sanctionable action under Section 63-407 or Section 63-408, the individual may not reestablish eligibility until the minimum sanction period identified in Section 63-407.53 is completed.

NOTE: Authority cited: Sections 10553, 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 U.S.C. 2015(d) and (o); instructions received from Dennis Stewart, Regional Director of the Food Stamp Program, Food and Nutrition Service (FNS) dated April 21, 1998, 7 CFR 273.7(f); 7 CFR 273.13; 7 CFR 273.24(b), (c), (e), and (g); 45 CFR 400.154; FNS policy interpretation dated September 16, 2003; FNS letter dated July 25, 2003; and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver dated April 1, 2003.

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As a condition of eligibility, CFAP recipients who are not exempt must participate as follows:

.1 CFAP recipients who are also CalWORKs recipients must comply with Welfare-to-Work (WTW) requirements contained in MPP Chapter 42-700.

.11 All WTW exemptions at Section 42-712 apply to CFAP recipients identified in Section 63-411.1.

.12 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.

.121 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.

(a) Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.

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- .2 CFAP recipients who do not receive CalWORKs must satisfy the Able-Bodied Adult Without Dependents (ABAWD) work requirement defined at Section 63-410.
 - .21 Exemptions at Section 63-410.3 apply to ABAWD CFAP recipients.
 - .22 Effective April 1, 2003, if an ABAWD CFAP recipient begins receiving federal food stamps after reaching his/her five-year residency requirement, CWDs must establish a new 36-month period in accordance with Section 63-410.1 and begin tracking the 36-month calendar on the Medi-Cal Eligibility Data System (MEDS) as specified in Section 63-410.14.
 - .221 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.
 - .222 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.
 - .223 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.
 - .224 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.
 - .23 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.
- .3 Food stamp work registration requirements at Section 63-407 and voluntary quit and reduction of work effort requirements at Section 63-408 apply to CFAP recipients who do not receive CalWORKs.
 - .31 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.
 - .32 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.
 - .33 Repealed by CDSS Manual Letter No. FS-00-03, effective 3/2/00.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 18930.5 (as added by AB 2779, Statutes of 1998, Section 35); Article 3.2 of Chapter 2 of Part 3 of Division 9, Welfare and Institutions Code; AB 1111, Chapter 147, Statutes of 1997 CFR 273.7; 8 U.S.C. 1612(a)(2); Section 4401(c) of the Food Stamp Reauthorization Act of 2002 (P.L. 107-171); and Administrative Notice 03-04, dated October 21, 2002.

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- (m) Earned Income Tax Credits (EITC) payments shall be excluded as follows:
- (1) A federal EITC payment received either as a lump sum or as payments under Section 3507 of the Internal Revenue Code for the month of receipt and the following month for the individual and that individual's spouse.
 - (2) Section 63-501.3(m)(2)(MR) shall become inoperative and Section 63-501.3(m)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (MR) Any federal, state or local EITC payment received by any household member shall be excluded for 12 months, provided the household was participating in the Food Stamp Program at the time of receipt of the earned income tax credit and provided the household participates continuously during that 12-month period. Continuous participation includes breaks in participation of one month or less due to administrative reasons, such as delayed recertifications or missing or late CA 7s.
 - (QR) Any federal, state or local EITC payment received by any household member shall be excluded for 12 months, provided the household was participating in the Food Stamp Program at the time of receipt of the earned income tax credit and provided the household participates continuously during that 12-month period. Continuous participation includes breaks in participation of one month or less due to administrative reasons, such as delayed recertifications or missing or late QR 7s.
 - (3) The following provisions apply to both Sections 63-501.3(l)(1) and (2).
 - (A) If the pay stub does not indicate an EITC advance payment was received, no further action is required.
 - (B) If it is unclear from the pay stub what amount of EITC advance payment the recipient received, the CWD shall obtain clarification from the recipient and contact the employer if necessary to obtain the amount.
- (n) At the time of application, any resources of a woman or women with children who are temporarily residing in a shelter for battered women and children shall be considered inaccessible if;

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- .624 Resources which are transferred for reasons other than qualifying or attempting to qualify for food stamp benefits, for example, a parent placing funds into an educational trust fund described in Section 63-501.3(h).
- .63 Notice Requirements
 - .631 In the event the CWD establishes that an applicant household knowingly transferred resources for the purpose of qualifying or attempting to qualify for Food Stamp benefits, the household shall be sent a notice of action denying the application and explaining the reason for the length of the disqualification. The period of disqualification shall begin in the month of application.
 - .632 If the household is participating at the time of the discovery of the transfer, a notice of action explaining the reason for and length of the disqualification shall be sent. The period of disqualification shall be made effective with the first allotment to be issued after the period for timely notice has expired, unless the household has requested a state hearing and continued benefits.
- .64 The length of the disqualification period shall be based on the amount by which nonexempt transferred resources, when added to other countable resources, exceeds the allowable resource limits.

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- .641 For example, if a one-person household with \$1,250 in the bank, transferred ownership of a car worth \$5,500, \$1,000 of that transfer would be considered because the first \$4,500 of the car's value is exempt. When that \$1,000 is added to the \$1,250 in the bank and applied toward the \$2,000 resource limit, \$250 is left as excess resources and used to determine the period of disqualification.

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.642 The following chart shall be used to determine the period of disqualification.

Amount in Excess of the Resource Limit	Period of Disqualification
\$0 to 249.99.....	1 month
\$250 to 999.99.....	3 months
\$1,000 to 2,999.99.....	6 months
\$3,000 to 4,999.99.....	9 months
\$5,000 or more	12 months

.65 A transfer of assets to qualify for the Program shall not be treated as a fraudulent action in and of itself. However, concealment and misrepresentation of the assets transfer shall constitute fraud and shall be subject to the intentional Program violation provisions of Section 63-805.

.7 Resources of Nonhousehold Members

The resources of nonhousehold members, as defined in Section 63-402.21, shall be handled in accordance with Section 63-503.45.

.8 Resources of Excluded Household Members

The resources of excluded household members, as defined in Sections 63-402.221, .222, .223, and .224, shall be handled in accordance with Section 63-503.44. The income and resources of excluded household members, as defined in Sections 63-402.225, .226, and .227, shall be handled in accordance with Section 63-503.45.

NOTE: Authority cited: Sections 10553, 10554, 11209, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18901, 18901.9, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 272.8(e)(17); 7 CFR 273.2(j)(4); 7 CFR 273.8; 7 CFR 273.8(e)(11), (12)(ii), and (18); 7 CFR 273.8(f) and (h); Federal Register Volume 68, No. 168, Page 51933 published on August 29, 2003; Public Law (P.L.) 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 101-201; P.L. 101-426, Section 6(h)(2), as specified in United States Department of Agriculture (U.S.D.A.), Food and Nutrition Service (FNS), Administrative Notice (AN) 91-37; P.L. 101-508, Section 11111(b); P.L. 101-624, Section 1715; P.L. 102-237, Section 905, as specified in Federal Administrative Notice 92-12, dated January 9, 1992; Section 2466d., Title 20, United States Code (U.S.C.); 7 U.S.C. 2014(d); 26 U.S.C. 32(j)(5); 42 U.S.C.A. 5122 as amended by P.L. 100-707, Section 105(i); U.S.D.A., FNS, ANs 91-30 and 94-39; Index Policy Memo 90-22, dated July 12, 1990; U.S.D.A., FNS, AN 94-58, dated July 5, 1994; P.L. 104-193, Sections 810 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

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.132 After determining the prorated allotment, the CWD shall round the product down to the nearest lower whole dollar. If the computation results in an allotment of less than \$10, then no issuance shall be made for the whole month.

.14 Section 63-503.14(MR) shall become inoperative and Section 63-501.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Because of reported, estimated or anticipated changes, a household may be eligible for the month of application, but ineligible in the subsequent month. The household shall be entitled to benefits for the month of application even if the processing of its application results in the benefits being issued in the subsequent month. (See Sections 63-504.1 for certification periods and Section 63-504.2 for notice requirements.) Similarly, a household may be ineligible for the month of application, but eligible in the subsequent month due to reported, estimated or anticipated changes in circumstances. Even though denied for the month of application, the household does not have to reapply in the subsequent month. The same application shall be used for the denial for the month of application, and for the determination of eligibility for subsequent months, within the timeliness standards in Section 63-301.1.

(QR) Determination of benefits in a change reporting household, based on reported, estimated or anticipated changes, may result in a household being eligible for the month of application, but ineligible in the subsequent month. The household shall be entitled to benefits for the month of application even if the processing of its application results in the benefits being issued in the subsequent month. (See Sections 63-504.1 for certification periods and Section 63-504.2 for notice requirements.) Similarly, a household may be ineligible for the month of application, but eligible in the subsequent month due to reported, estimated or anticipated changes in circumstances. Even though denied for the month of application, the household does not have to reapply in the subsequent month. The same application shall be used for the denial for the month of application, and for the determination of eligibility for subsequent months, within the timeliness standards in Section 63-301.1.

.141 Section 63-503.141(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Determination of benefits in a QR/PB household is also based upon reported, estimated and/or anticipated income over the QR Payment Quarter. The household shall be entitled to benefits if otherwise eligible in accordance with Sections 63-508 and 63-509.

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.15 Section 63-503.15(MR) shall become inoperative and Section 63-501.15(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) As a result of reported, estimated or anticipated changes, the household's allotment for the month of application may differ from its allotment in subsequent months. The household's allotment shall vary from month to month to reflect actual changes reported during the certification period or those changes anticipated at the time of certification unless the averaging techniques in Sections 63-503.212(b), .242(c) or .252 are used. The CWD shall establish the household's certification period in accordance with Section 63-504.1.

(QR) As a result of reported, estimated or anticipated changes in a change reporting household, the household's allotment for the month of application may differ from its allotment in subsequent months. The household's allotment shall vary from month to month to reflect actual changes reported during the certification period or those changes anticipated at the time of certification unless the averaging techniques in Sections 63-504.242(c), .252 or .411(b) are used. The CWD shall establish the household's certification period in accordance with Section 63-504.1.

.151 Section 63-503.151(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) As a result of reported, estimated or anticipated changes in a QR household, the household's allotment for the month of application may differ from its allotment in subsequent months. The household's allotment may vary from month to month within the quarter to reflect changes reported during the QR Payment Quarter or those changes anticipated at the time of certification unless the averaging techniques in Sections 63-509(a)(4), (a)(5) and (a)(6) are used. The CWD shall establish the household's certification period in accordance with Section 63-504.1. The CWD may match certification periods with QR reporting cycles.

.16 Households who apply for benefits after the 15th day of the month, and have been determined eligible to receive benefits for the initial month and the subsequent month, shall receive both allotments at the same time.

.161 CWDs have the option to provide both months' benefits in one combined allotment or as separate allotments as long as they are provided at the same time and within the time frame specified in Section 63-301.2 or Section 63-301.531 for expedited service.

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.162 Benefits for the prorated initial month shall be provided in accordance with Section 63-503.13.

.2 Determining Resources, Income and Deductions

.21 Sections 63-503.21 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Prospective Budgeting in the Beginning Months for Households Who Shall be Subject to Retrospective Budgeting

(MR) .211 Determining Resources

(MR) Except for households determined to be categorically eligible as specified in Sections 63-301.7 and .82, the household's resources at the time of the interview shall be used to determine the household's eligibility, in accordance with Sections 63-501 and 63-409.12.

(MR) .212 Determining Income

(MR) The CWD shall determine food stamp eligibility according to the household's gross and/or net income as specified in Section 63-503.32. The CWD, in determining the household's eligibility, shall determine what sources are exempt from consideration as income per Section 63-502.14 and Section 63-502.2. If an applicant household is destitute, as defined in Section 63-503.43, the CWD shall compute its gross income in accordance with Section 63-503.434.

(MR) (a) Actual Income

(MR) For purposes of determining the household's eligibility and level of benefits during the beginning months, the CWD shall take into account the actual income already received by the household during the month of application and any anticipated income the CWD and the household are reasonably certain will be received during the remaining beginning months. Income shall not be counted if its receipt is uncertain. If the exact amount of anticipated income is uncertain only that portion which can be anticipated with reasonable certainty shall be counted as income. In cases where the receipt of income is reasonably certain but the monthly amount may fluctuate, the household may elect to income average, as provided in Section 63-503.212(b).

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(MR) (1) The following are examples of how to determine anticipated income:

(MR) (A) The anticipated receipt of an initial PA/GA payment is counted in determining eligibility only if the PA/GA payment has been approved and authorized and will be issued within the month.

(MR) (B) The anticipated receipt of earned income, such as income from a new job, will only be counted if it can be determined with reasonable certainty that a specific amount of earnings will be received within the month, e.g., the person is currently employed or will be employed during the month and the pay day(s) is within the month.

(MR) (C) The anticipated receipt of other income, such as unemployment insurance benefits, will only be counted if it can be verified that benefits will be received within the month, e.g., award letter indicates the payment amount and that it can be expected by or on a specified date and that date falls within the month.

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(MR) (b) Averaging Income

Households subject to retrospective budgeting shall not have their income averaged, even if their income fluctuates from month to month, except as provided below:

(MR) (1) Self-employment income received less often than monthly. Households which derive their annual income in a period of time shorter than one year shall have that income averaged over a 12-month period.

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(MR) (2) Nonexcluded scholarship, deferred educational loan, and educational grant income received by households less often than monthly. Such income, after exclusions, shall be averaged over the period it is intended to cover and shall not be prospectively counted in the beginning months for retrospectively budgeted households.

(MR) (3) Contract income received by households which derive their annual income in a period of time shorter than one year. Such income shall be averaged over the period it is intended to cover, provided the income from the contract is not earned on an hourly or piece-work basis. Such income shall not be prospectively counted in the beginning months for retrospectively budgeted households.

(MR) (c) Income Only in the Month Received

(MR) (1) Income anticipated during the beginning months shall be counted as income only in the month it is expected to be received, unless the income is averaged. Whenever a full month's income is anticipated but is received on a weekly or biweekly basis, the CWD shall use the exact monthly amount whenever possible. If the exact amount is not available, the CWD shall use the amount which is reasonably certain to be received in accordance with Section 63-503.212(a).

(MR) (2) Wages held at the request of the employee shall be considered income to the household in the month the wages would otherwise have been paid by the employer. Wages held by the employer, as a general practice, even if in violation of the law, shall not be counted as income to the household. If the household anticipates that it will ask for and receive an advance, the advance shall be counted as income. Income from wages that were previously held by the employer as a general practice and not previously counted as income by the CWD shall be counted as income in the month received. Advances on wages shall count as income in the month received only if the CWD is reasonably certain of its receipt, in accordance with Section 63-503.212(a).

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(MR) (3) The CWD shall budget stable earned and unearned income which is received on a regular basis as a single monthly payment for the month such income is intended to cover. Households receiving such income shall not have their monthly income varied merely because mailing or payment cycles may cause two payments to be received in one month and none in the next month.

.22 Sections 63-503.22 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Transitioning Households from Prospective to Retrospective Budgeting

A household's benefit level shall be computed prospectively during the beginning months of the household's certification period by considering all factors of eligibility. The prospective determination of eligibility and benefit level shall be based on the income and other circumstances that the CWD is reasonably certain will exist for that household during the beginning months as specified in Section 63-503.212(a).

(MR) .221 If the household has two beginning months, when the CWD receives the household's first CA 7 during the second beginning month, the CWD shall continue to prospectively determine the household's eligibility, but the CWD shall issue benefits retrospectively for month three based on the actual information reported on the CA 7 for month one except as specified in Section 63-503.232(c).

(MR) .222 If the household has three beginning months, when the CWD receives the household's second CA 7 during the third beginning month, the CWD shall continue to prospectively determine the household's eligibility. The CWD shall commence issuing benefits retrospectively for month four based on the actual information reported on the CA 7 for month two, except as specified in Section 63-503.232(c).

.23 Sections 63-503.23 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Households Subject to Retrospective Budgeting After the Beginning Months

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(MR) .231 Prospective Eligibility

The CWD shall continue to prospectively determine Food Stamp eligibility after the beginning months. The prospective eligibility determination determines whether or not a household continues to be eligible for benefits, and does not determine what benefit level a household is entitled to receive. A household is neither eligible for a restoration of benefits, nor shall a claim be established against a household for an inaccurate estimate of a household's prospective eligibility. Categorically eligible households shall be considered eligible for Food Stamps because of their status as PA recipients. The prospective eligibility determination for other households shall be made as follows.

(MR) (a) Determining Resources

Each month any reported changes in the household's resources shall be used in conjunction with the resources at the time of the interview to determine the household's prospective eligibility, in accordance with Sections 63-501 and 63-409.12.

(MR) (b) Determining Income

When the household's benefits are retrospectively budgeted, the CWD shall continue to prospectively determine food stamp eligibility according to the household's gross and/or net income as specified in Section 63-503.32. The CWD, in determining the household's prospective eligibility shall consider the household's actual reported budget month income or income that has been averaged for the budget month and anticipated income changes in the issuance month. For this actual, averaged, and anticipated income, the CWD shall determine what sources are exempt from consideration as income, per Sections 63-502.14 and 63-502.2.

(MR) (c) Household Composition

The CWD shall determine food stamp eligibility using the household's composition during the issuance month.

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(Continued)

| (MR) .232 Retrospective Budgeting

The CWD shall use the following income to retrospectively budget the household's level of benefits.

| (MR) (a) Actual Income

For purposes of determining the household's level of benefits for the issuance month, the CWD shall take into account the household's actual reported income for the budget month, except for child/spousal support disregard payments, which shall be based on the CWD information.

| (MR) (b) Averaged Income

For purposes of determining the household's level of benefits for the issuance month, the CWD shall take into account any income that has been averaged for the household for the budget month.

| (MR) (1) Self-employment income received less often than monthly. Households which derive their annual income in a period of time shorter than one year shall have that income averaged over a 12-month period.

| (MR) (2) Nonexcluded scholarship, deferred educational loan, and educational grant income as specified in Section 63-503.212(b)(2). Such income shall not effect more benefit months than the number of months in the period over which it is averaged.

| (MR) (3) Contract income as specified in Section 63-503.212(b)(3). Such income shall not effect more benefit months than the number of months in the period over which it is averaged.

| (MR) (c) Income Only in the Month Received

When determining the household's level of benefits for the issuance month, the CWD shall count as income only that amount actually received by the household in the budget month, except as provided below:

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(MR) (1) Income that has been averaged, in accordance with Section 63-503.212(b).

(MR) (2) The CWD shall budget stable earned and unearned income which is received on a regular basis as a monthly or semi-monthly payment for the month such income is intended to cover. Households receiving such income shall not have their monthly income varied merely because mailing or payment cycles, or because weekends or holidays may cause two payments to be received in one month and none in the next month.

(MR) (3) A GA/GR payment, covering a period which begins in the current month and ends in a future month, received in the current month is counted as income in the current month.

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(MR) (A) For example, a GA/GR payment received in June which is intended to cover the last two weeks in June and the first two weeks in July is counted as income for June.

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(MR) (4) Wages held at the request of the employee shall be considered income to the household in the month the wages would otherwise have been paid by the employer.

(MR) (5) All AFDC, GA/GR, RCA, and ECA payments (initial, regular monthly, and additional/corrective) for the issuance month shall be anticipated with reasonable certainty, as defined in Section 63-503.212(a). The CWD shall ensure that any additional/corrective payments to the regular grant received in and for the issuance month are counted prospectively.

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- | (MR) (A) Federally funded AFDC additional/corrective payments that the CWD could not anticipate with reasonable certainty or did not have time to budget prospectively shall be budgeted retrospectively.

- | (MR) (B) State-only AFDC, GA/GR, RCA, and ECA payments that the CWD could not anticipate with reasonable certainty or did not have time to budget prospectively shall not be budgeted retrospectively.

- | (MR) (C) Repealed by Manual Letter No. FS-91-10, effective 12/1/91.

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(MR) (D) The following case situations illustrate the distinction between an additional/corrective payment and a regular monthly payment:

(MR) 1. Example 1:

An ongoing Food Stamp household reported the birth of a child in March. As a result, the CWD issued two supplemental PA payments in April, the first for prorated March benefits, the second for April benefits, and added the child to the Food Stamp household effective April 1.

The prorated supplement for March benefits would be considered a nonrecurring lump sum payment because it is a retroactive payment for a previous month and is counted as a resource in April. The supplemental PA payment received in and for the month of April would be considered an additional/corrective payment which would be budgeted retrospectively for the June issuance month.

(MR) 2. Example 2:

An ongoing Food Stamp household filed a March CA 7 (Rev. 1) which caused the CWD to reduce the May PA grant amount to \$0. The CWD used \$0 income to compute the Food Stamp benefit level for the issuance month of May. Subsequent to this action, the CWD discovers that an error was made in the determination of the Food Stamp household's PA grant and recomputes the PA budget to an appropriate grant amount of \$400.

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The \$400 would be considered a regular monthly PA payment. This is because no other grant amount for the issuance month had been established and paid. Therefore, the amount issued would be considered a regular monthly PA payment. However, if the CWD had established and actually paid a grant amount (e.g., \$50), any adjustment to this amount would be considered an additional/corrective payment amount and budgeted retrospectively regardless of how the additional/corrective payment was issued (i.e., one check, two checks, etc.).

(MR) 3. Example 3:

An ongoing Food Stamp household filed a March CA 7 (Rev. 1) which resulted in a determination that the monthly PA grant would decrease from \$400 to \$50 for May. The \$50 PA grant level was used to determine the food stamp benefits for the issuance month of May. Subsequently, the Food Stamp household filed an administrative appeal and received aid paid pending (APP) in the amount of \$400.

In this instance, the \$350 (\$400-\$50) would not be budgeted retrospectively as an additional/corrective payment. This is because APP is required by state administrative appeals procedures. The \$350 + \$50 would be considered a regular monthly payment under the requirements of the partial settlement agreement.

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(Continued)

(MR) (d) Discontinued Income

For the purposes of this section, discontinued income is any income that a household received in a budget month from a source that no longer provides income to the household, except when the income has been discontinued due to participation in a strike or, a household member other than the primary wage earner voluntarily quits a job without good cause in accordance with Section 63-408.4.

(MR) (1) In a Beginning Month

Discontinued income which was included in the household's prospective budget shall be disregarded when the beginning month becomes the budget month.

(MR) (2) After the Beginning Months

For households receiving AFDC, GA/GR, RCA, or ECA payments in the issuance month, discontinued income from the corresponding budget month shall be disregarded provided:

(MR) (A) The household has reported the termination of the income on the CA 7 for the budget month or in some other manner,

(MR) (B) The CWD has sufficient time to process the change and affect the allotment in the issuance month corresponding to the budget month in which the income stopped, and

(MR) (C) The AFDC, GA/GR, RCA, or ECA payments are increased as a result of the termination of the income.

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(Continued)

.24 Section 63-503.24(MR) shall become inoperative and Section 63-503.24(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determining the Eligibility and Benefit Level of Households Excluded from Retrospective Budgeting

(QR) Determining the Eligibility and Benefit Level of Households Excluded from QR/PB.

.241 Determining Resources

The household's resources at the time of the interview shall be used to determine the household's eligibility, in accordance with Sections 63-501 and 63-409.12.

.242 Determining Income

The CWD shall determine food stamp eligibility according to the household's gross and/or net income as specified in Section 63-503.32. The CWD, in determining the household's eligibility, shall determine what sources are exempt from consideration as income, per Sections 63-502.12 and .2. If an applying household is destitute, as defined in Section 63-503.43, the CWD shall compute its gross income, in accordance with Section 63-503.434.

(a) Anticipating Income

- (1) For purposes of determining the household's eligibility and level of benefits, the CWD shall take into account the income already received by the household during the month of application and any anticipated income the household and the CWD are reasonably certain will be received during the remainder of the certification period. If the amount of income that will be received, or when it will be received, is uncertain, that portion of the household's income that is uncertain shall not be counted.

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- (2) A household anticipating income from a new source, such as a new job, may be uncertain as to the timing and amount of the initial payment. These monies shall not be anticipated by the CWD unless there is reasonable certainty concerning the month in which the payment will be received and in what amount. If the exact amount of the income is not known, that portion of it which can be anticipated with reasonable certainty shall be considered as income. In cases where the receipt of income is reasonably certain but the monthly amount may fluctuate, the household may elect to income average, as provided in Section 63-503.242(c).
- (3) Income received during the past 30 days shall be used as an indicator of the income that is and will be available to the household during the certification period. However, the CWD shall not use past income as an indicator of income anticipated for the certification period if changes in income have occurred or can be anticipated. If income fluctuates to the extent that a 30-day period alone cannot provide an accurate indication of anticipated income, the CWD and the household may use a longer period of past time if it will provide a more accurate indication of anticipated fluctuations, in future income.
- (4) If the household's income fluctuates seasonally, it may be appropriate to use the most recent season comparable to the certification period rather than the last 30 days, as one indicator of anticipated income. The CWD shall exercise particular caution in using income from a past season as an indicator of income for the certification period. In many cases of seasonally fluctuating income, the income also fluctuates from one season in one year to the same season in the next year. However, in no event shall the CWD automatically attribute to the household the amounts of any past income. The CWD shall not use past income as an indicator of anticipated income when changes in income have occurred or can be anticipated during the certification period.

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(b) Income Only in the Month Received

- (1) Section 63-503.242(b)(1)(MR) shall become inoperative and Section 63-503.242(b)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Income anticipated during the certification period shall be counted as income only in the month it is expected to be received, unless the income is averaged. The CWD shall use the exact monthly figure if it can be anticipated. Whenever a full month's income is anticipated but is received on a weekly or biweekly basis, the CWD shall convert the income to a monthly amount by multiplying weekly amounts by 4.3 and biweekly amounts by 2.15 if the exact amount is not known.
- (QR) Income reasonably anticipated during the certification period shall be counted as income only in the month it is expected to be received, unless the income is averaged. The CWD shall use the exact monthly figure if it can be reasonably anticipated. Whenever a full month's income is anticipated but is received on a weekly or biweekly basis throughout the QR Payment Quarter, the CWD shall convert the income to a monthly amount by multiplying weekly amounts by 4.33 and biweekly amounts by 2.167 if the exact amount is not known.
- (2) Wages held at the request of the employee shall be considered income to the household in the month the wages would otherwise have been paid by the employer. However, wages held by the employer as a general practice, even if in violation of law, shall not be counted as income to the household, unless the household asks for and receives an advance, or anticipates that it will receive income from wages that were previously held by the employer as a general practice and that were, therefore, not previously counted as income by the CWD. Advances on wages shall count as income in the month received only if reasonably anticipated, in accordance with Section 63-503.242(a).
- (3) Households receiving assistance payments such as AFDC, GA/GR, RCA, ECA, or social security payments on a recurring, monthly basis, shall not have their monthly income from these sources varied merely because mailing or payment cycles may cause two payments to be received in one month and none in the next month.

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(Continued)

(c) Averaging Income

- (1) Households, except destitute households, and PA households subject to a monthly reporting requirement for PA, may elect to have their income averaged. Income shall not be averaged for a destitute household since averaging would result in assigning to the month of application income from future periods which is not available to the destitute household for its current food needs. To average income, the CWD shall use the household's anticipated income fluctuations over the certification period. The number of months used to arrive at the average income need not be the same as the number of months in the certification period. If fluctuating income for the past 30 days and the month of application are known and, with reasonable certainty, are representative of the income fluctuations anticipated for the coming months, the income from the two known months may be averaged and projected over a certification period of longer than two months.
- (2) Households which derive income by contract or self-employment, shall have that income averaged. This does not apply to a migrant or seasonal farmworker household.
- (3) Households which receive scholarships, deferred educational loans, or other educational grants shall have such income, after exclusions, averaged over the period for which it was provided.

.25 Section 63-503.25(MR) shall become inoperative and Section 63-503.25(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Determining Deductions For All Households

Deductible expenses include only certain medical, dependent care, shelter costs, and child support as specified in Section 63-502.3.

(QR) Determining Deductions for Change Reporting and QR/RB Households

Deductible expenses include only certain medical, dependent care, shelter costs, and child support as specified in Section 63-502.3. Treatment of deductions for households subject to QR/PB are specified in Sections 63-509(a)(3), (a)(3)(A), (a)(3)(B), and (a)(3)(C).

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.251 Billed Expenses

Except as specified in Section 63-503.252 for averaged expenses and Section 63-502.37 for the child support deduction, a deduction shall be allowed only for the month the expense is billed or otherwise becomes due, regardless of when the household intends to pay the expense. Rent which is due each month shall be included in the household's shelter expenses, even if the household has not yet paid the expense. Amounts carried forward from past billing periods shall not be deducted, even if included with the most recent billing and actually paid by the household. In any event, an allowable expense shall be deducted only once.

- (a) For reimbursable medical expenses, or for those that the nonreimbursable portion is known or can be determined at the time of the billing, the period of deduction and past due expenses are established as follows:
 - (1) If the billing period is specified on the bill, a deduction shall be allowed until the final day in the month that the bill becomes due.
 - (2) If no billing period is specified, the bill is considered to become due one month after the date of the bill. A deduction shall be allowed until the final day in the month following the month the bill was issued.
- (b) When an eligible household member presents a medical bill, other than for hospital expenses, the amount of the household's allowable medical cost shall be determined in the following manner:
 - (1) Insured (Reimbursable) Medical Expenses
 - (A) When the bill is submitted and the eligible household member is covered by Medicare or Blue Cross/Blue Shield, or private insurance company, 20 percent of the total bill shall be the household's medical cost.
 - (B) When the bill is submitted and the eligible household member is covered by Medi-Cal, the share of cost shown on the member's latest MC 177-SA-M, or the doctor's bill, whichever is less, shall be the household's medical cost.

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(2) Uninsured (Nonreimbursable) Medical Expenses

The total amount of the uninsured medical expenses incurred by an eligible household member and verified, in accordance with Section 63-300.51(g), is the amount of the household's medical cost. If a Medi-Cal bill is submitted for an allowable medical expense incurred, but not covered by Medi-Cal, the full amount billed shall be the household's medical cost regardless of the member's share of cost.

(c) Hospital Bills

The total amount of the nonreimbursable portion of the medical expense shown on the final bill (not the preliminary statement) as due and payable by the eligible household member shall be the household's medical cost.

(d) Eligible household members who have coverage by more than one health insurance policy (except for Medi-Cal/Medicare and Blue Cross/Blue Shield) shall receive the medical deduction only after all reimbursements and/or payments have been received or verified.

.252 Averaging Expenses

All households may elect to have fluctuating expenses or payments for the child support deduction averaged. Households may also elect to have expenses which are billed less often than monthly averaged forward over the interval between scheduled billings, or, if there is no scheduled interval, averaged forward over the period the expenses are intended to cover (such as local property taxes and fire insurance). (See Section 63-502.352.) The household may elect to have one-time only expenses averaged over the entire certification period in which they are billed.

(a) Households reporting medical expenses, as specified in Section 63-502.331, during their certification period, with no specified payment schedule, may elect to have a one-time only deduction or to have the expense averaged over the remaining months of their certification period. Averaging would begin in the month the change becomes effective and only the amount in excess of that specified in Handbook Section 63-1101.25 shall be deducted each month.

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- (1) Households certified for 24 months that report a one-time medical expense during the first 12 months of the certification period have the option to:
 - (A) Deduct the expense for one month; or
 - (B) Average the expense over the remaining first 12 months of the certification period; or
 - (C) Average the expense over the remaining months in the certification period.
 - (2) Households certified for 24 months that report a one-time medical expense after the 12th month of the certification period has an option to:
 - (A) Deduct the expense for one month; or
 - (B) Average the expense over the remaining months in the certification period.
- (b) When the eligible household member has a written agreement, contract, or other type of written plan for payment of billed medical expenses, the stipulated amount of monthly payment shall be the base for determining the monthly excess medical expenses. Fluctuating medical expenses may be averaged over the certification period. Households may elect to average medical expenses billed less often than monthly over the certification period or claim such expenses in the month received. Medical expenses averaged over the certification period shall not be determined by automatically averaging past months' medical expenses. Past expenses shall be used only as an indicator of the expenses that are estimated or reasonably anticipated during the certification period. Fluctuating medical expenses may be allowed as a deduction and averaged over the certification period only if regularly recurring, reasonably anticipated and verified to recur over the certification period. Fluctuating medical expenses include, but are not limited to: medical service and treatments received regularly, but less often than monthly, and fluctuating monthly health expenses for prescription drugs. Expenses that occur and are reported and verified during the certification period that were not anticipated and deducted shall be considered one-time only expenses and may be deducted in the month billed, when the bill otherwise becomes due, or averaged over the remaining months of the certification period.

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(c) Section 63-503.252(c)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For retrospectively budgeted households, the CWD shall budget deductible expenses or payments for the child support deduction averaged over two or more months retrospectively, except medical expenses, provided that such deductions are not budgeted over more months than they are intended to cover, and the total amount deducted does not exceed the total amount of the expenses. Medical expenses shall be budgeted prospectively. The CWD shall continue to allow deductions for expenses incurred or payments made for the child support deduction even if billed on other than a monthly basis unless the household reports a change in the expense. At that time, it shall be recalculated.

.253 Anticipating/Estimating Expenses

(a) Medical Expenses

At certification and recertification, the CWD shall require the household to report and provide verification of all medical expenses. The household's monthly medical deduction for the certification period shall be based on the information reported and verified by the household. This information shall include any anticipated changes in the household's medical expenses that can be reasonably expected to occur during the certification period based on available information about the recipient's medical condition, public or private insurance coverage, and current verified medical expenses. During the certification period, reporting of any medical expense shall be on a voluntary basis. If the household voluntarily reports a change in medical expenses which increases the household's allotment, the CWD shall verify the change as specified in Section 63-504.421 prior to acting on the change. If the reported change decreases the household's allotment, or makes the household ineligible, the CWD shall act on the change without requiring verification. However, verification required as specified in Section 63-504.421 shall be obtained prior to the household's recertification.

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(Continued)

- (b) Section 63-503.253(b)(MR) shall become inoperative and Section 63-503.253(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Other Expenses

- (MR) The CWD shall calculate a nonmonthly reporting household's expenses based on the expenses the household expects to be billed for or based on the payments expected to be made for the child support deduction during the certification period. Anticipation of the expenses or payments for the child support deduction shall be based on the most recent month's bills or payments for the child support deduction, unless the household is reasonably certain a change will occur. When the household is not claiming the standard utility allowance, the CWD may anticipate changes during the certification period based on last year's bills from the same period updated by overall price increases; or, if only the most recent bill is available, utility cost increases or decreases over the months of the certification period may be based on utility company estimates for the type of dwelling and utilities used by the household. The CWD shall not average past expenses, such as utility bills for the last several months, as a method of anticipating utility costs for the certification period.
- (QR) The CWD shall calculate a change reporting household's expenses based on the expenses the household expects to be billed for or based on the payments expected to be made for the child support deduction during the certification period. Anticipation of the expenses or payments for the child support deduction shall be based on the most recent month's bills or payments for the child support deduction, unless the household is reasonably certain a change will occur. When the household is not claiming the standard utility allowance, the CWD may anticipate changes during the certification period based on last year's bills from the same period updated by overall certification period may be based on utility company estimates for the type of dwelling and utilities used by the household. The CWD shall not average past expenses, such as utility bills for the last several months, as a method of anticipating utility costs for the certification period.

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(c) Section 63-503.253(c)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Expenses In the Beginning Months

For households which are subject to retrospective budgeting, the procedures in Section 63-503.212(c)(1) which explain how to estimate income in the beginning months shall be used to estimate expenses in the beginning months. The CWD shall budget expenses regularly billed as a single monthly payment for the months such expenses are intended to cover.

.254 Section 63-503.254(MR) shall become inoperative and Section 63-503.254(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Disallowed expenses. The following expenses are not deductible:

(QR) Disallowed expenses. The following expenses are not deductible for change reporting households and QR/PB households:

(a) An expense covered by an excluded reimbursement or vendor payment shall not be deductible except for energy assistance vendor payments made under the LIHEAA of 1981. For example, the portion of rent covered by excluded vendor payments shall not be calculated as part of the household's shelter cost.

(1) However, that portion of an allowable medical expense which is not reimbursable shall be included as part of the household's medical expenses. See Section 63-502.33 on nonreimbursable medical costs.

(2) If the household reports an allowable medical expense at the time of certification but cannot provide verification at that time, and if the amount of the expense cannot be reasonably anticipated based upon available information about the recipient's medical condition, and public or private medical insurance coverage, the CWD shall not deduct the expense. The household shall have the nonreimbursable portion of the medical expense deducted at the time the amount of the expense or reimbursement is reported and verified.

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- (b) An expense which is covered by an excluded vendor payment that has been converted to a direct cash payment under the approval of a federally authorized demonstration project [see Section 63-502.2(a)(2)].
- (c) Expenses shall only be deductible if the service is provided by someone outside the household and the household makes a money payment for the service. For example, a dependent care deduction shall not be allowed if: 1) another household member or excluded member provides the care, or 2) compensation for the care is provided in the form of an in-kind benefit, such as food.
- (d) Past-due medical bills determined in accordance with Section 63-503.251.
- (e) Medical bills paid prior to the month of initial application are not a deductible expense. However, medical bills received during the month of application are an allowable expense, even if the medical service was provided prior to the month of application, provided the household is otherwise eligible.

.255 Section 63-503.255(MR) shall become inoperative and Section 63-503.255(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Expense Conversion Procedures

(MR) For nonmonthly reporting households the income conversion procedures of Section 63-503.242(b)(1) shall also apply to expenses billed on a weekly or biweekly basis.

(QR) For change reporting and QR households, the income conversion procedures of Section 63-503.242(b)(1) shall also apply to expenses billed on a weekly or biweekly basis.

.3 Calculating Net Income and Benefit Levels

.31 Net Monthly Income

In calculating net monthly income, the entire calculation process including individual shelter and medical costs shall include exact dollars and cents. The final figure shall be rounded down to calculations that end in 1 through 49 cents and rounded up for calculations that end in 50 through 99 cents.

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.311 Section 63-503.311(MR) shall become inoperative and Section 63-503.311(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) To determine a household's net monthly income, unless the household contains a member who is elderly or disabled as defined in Section 63-102(e), the CWD shall:

(QR) To determine a change reporting household's net monthly income, unless the household contains a member who is elderly or disabled as defined in Section 63-102(c), the CWD shall follow the steps listed below. For QR/PB households the steps listed below shall be followed after income is averaged over the QR/PB Payment Quarter as specified in Section 63-509(a)(4).

(a) Add the gross monthly income earned by all household members minus earned income exclusions, to determine the household's total gross earned income.

(b) Apply the earned income deduction to the total gross earned income.

(c) Add to net monthly earned income the total monthly unearned income of all household members, minus income exclusions.

(d) Subtract the standard deduction.

(e) Subtract monthly dependent care expenses, if any, up to the current maximum.

(f) Subtract the homeless shelter deduction.

(g) Subtract allowable monthly child support payments as specified in Section 63-502.37.

(h) Total the allowable shelter expenses to determine shelter costs, unless a homeless shelter deduction has been subtracted as in Section 63-503.311(f). Subtract from the total shelter costs 50 percent of the household's monthly income after all the above deductions have been subtracted. The remaining amount, if any, is the excess shelter cost. If there is no excess shelter cost, the net monthly income has been determined. If there is excess shelter cost, compute the shelter deduction according to subparagraph (G) of this section.

(i) Subtract the excess shelter cost (up to the current maximum) from the household's monthly income after all other deductions. The household's net monthly income has been determined.

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(Continued)

- .312 Section 63-503.312(MR) shall become inoperative and Section 63-503.312(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) To determine the net monthly income of a household that includes a member who is elderly or disabled as defined in Section 63-102(e) the CWD shall:
- (QR) To determine the net monthly income of a change reporting household that includes a member who is elderly or disabled as defined in Section 63-102(e), the CWD shall follow the steps listed below. For QR/PB households, the steps listed below shall be followed after income is averaged over the QR/PB Payment Quarter as specified in Section 63-509(a)(4).
- (a) Add the gross monthly income earned by all household members minus earned income exclusions, to determine the household's total gross earned income.
 - (b) Apply the earned income deduction to the total gross earned income.
 - (c) Add to net monthly earned income, the total monthly unearned income to all household members, minus income exclusions.
 - (d) Subtract the standard deduction.
 - (e) Subtract the monthly dependent care up to the current maximum.
 - (f) Subtract the medical expenses in excess of the amount specified in Section 63-1101 (see Section 63-502.33 for allowable medical expenses).
 - (g) Subtract the homeless shelter deduction.
 - (h) Subtract the allowable monthly child support payments as specified in Section 63-502.37.
 - (i) Total the allowable shelter expenses to determine the shelter costs. Subtract from the total shelter costs 50 percent of the household's monthly income after all of the above deductions have been subtracted. The remaining amount, if any, is the excess shelter cost.
 - (j) Subtract the excess shelter cost from the household's monthly income after all other deductions. The household's net monthly income has been determined.

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(Continued)

.32 Eligibility and Benefits

.321 Sections 63-503.321(a) et seq.(MR) shall become inoperative and Section 63-503.321(a) (QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly income, as defined in Sections 63-502.11 and 63-503.312 shall be compared to the gross and net monthly income eligibility standard for the appropriate household size to determine eligibility for all households, except as provided in Sections 63-301.6, 63-503.322, and .323. (See Handbook Section 63-1101 for the gross and net monthly income eligibility standards.)

(MR) (a) For households which are subject to monthly reporting, the CWD shall apply the gross and net monthly income eligibility standards each month during the household's certification period. The household's continued eligibility for benefits shall be based on the household's size and income information which the household and the CWD anticipate for the issuance month. This determination shall be based on the information reported on and submitted with the household's most recent CA 7. The CWD shall also consider information which the household reports outside of the normal monthly reporting system.

(MR) (1) If the household's gross and net monthly income does not exceed the standards the CWD shall issue benefits, in accordance with Section 63-503.22.

(MR) (2) If the household's gross or net monthly income exceeds the standards, the CWD shall either deny the application or terminate; or suspend the household's benefits in accordance with Section 63-504.37.

(MR) (b) For migrant farmworker households, the CWD shall deny the application if the household's gross and/or net monthly income exceeds the standards.

(QR) (a) For food stamp households which are subject to QR, the CWD shall apply the gross and net monthly income eligibility standards to the averaged QR/PB Payment Quarter's income during the certification period. The household's continued eligibility for benefits shall be based on the household's size and income information which the household and the CWD anticipate for the QR Payment Quarter. This determination shall be based on the information reported on and submitted with the household's most recent QR 7. The CWD shall also consider information which the household reports outside of the normal QR system.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

- .322 Section 63-503.322 et seq.(MR) shall become inoperative and Section 63-503.322 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) To determine the eligibility of a household with at least one member who is elderly or disabled as defined in Section 63-102(e), the household's net income, as determined by Section 63-503.312, shall be compared to the net monthly income eligibility standard for the appropriate household size. (See Handbook Section 63-1101 for the net monthly income eligibility standards.)
- (MR) (a) For households which are subject to monthly reporting, the CWD shall apply the net monthly income eligibility standards each month during the household's certification period, except as specified in Sections 63-301.7 and .82. The household's continued eligibility for benefits shall be based on the household's size and income information which the household and the CWD anticipate for the next issuance month. This determination shall be based on the information reported on and submitted with the most recent CA 7. The CWD shall also consider information which the household reports outside of the normal monthly reporting system.
- (MR) (1) If the household's net monthly income does not exceed the standard, the CWD shall issue benefits in accordance with Section 63-503.22.
- (MR) (2) If the household's net monthly income exceeds the standard, the CWD shall either deny the application or terminate; or suspend the household's benefits in accordance with Section 63-504.37.
- (MR) (b) For migrant farmworker households, the CWD shall deny the application if the household's net monthly income exceeds the standard.
- (QR) (a) For households which are subject to QR, the CWD shall apply the gross and net monthly income tests to income averaged over the QR Payment Quarter. The household's continued eligibility for benefits shall be based on the household's size and income information which the household and the CWD anticipate for the next QR Payment Quarter or remaining months in the quarter.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

(QR) (1) If the household's net quarterly averaged income does not exceed the standard, the CWD shall issue benefits in accordance with Section 63-503.22.

(QR) (2) If the household's net quarterly averaged income exceeds the standard, the CWD shall deny the application or terminate benefits at the end of the quarter. If CalWORKs benefits are terminated mid-quarter based on income in excess of the IRT and income exceeds the household's standards, a mid-quarter action shall be taken to deny or terminate benefits and Transitional Food Stamp Benefits must be issued in accordance with Section 63-504.13.

.323 To determine the eligibility of a household in which all members are elderly or disabled as defined in Section 63-102(e), the CWD shall apply the net monthly income eligibility standards, as specified in Section 63-503.322.

(a) The CWD shall apply the net monthly income eligibility standards whenever the household reports a change in either income or household size. The household's continued eligibility for benefits shall be based on the household's new size and income information which the household and the CWD anticipate for the next issuance month.

(1) If the household's net monthly income does not exceed the standard, the CWD shall issue benefits in accordance with Section 63-503.22.

(2) If the household's net monthly income exceeds the standard, the CWD shall either deny the application or terminate; or suspend the household's benefits in accordance with Section 63-504.37.

.324 Section 63-503.324(MR) shall become inoperative and Section 63-503.324(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The household's monthly allotment shall be determined from the Coupon Allotment Tables on the basis of household size and net income. The counties shall issue food stamp coupons pursuant to the coupon allotment tables as promulgated and updated by the USDA. The SDSS shall provide the updated coupon allotment tables, which are to be implemented upon their effective date. Refer to Handbook Section 63-1101 for the most recent coupon allotment tables and their effective date.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

- (QR) Change reporting and QR/PB household's monthly allotment shall be determined from the Coupon Allotment Tables on the basis of household size and net income. The counties shall issue food stamp benefits pursuant to the coupon allotment tables as promulgated and updated by the USDA. The CDSS shall provide the updated coupon allotment tables, which are to be implemented upon their effective date. Refer to Handbook Section 63-1101 for the most recent coupon allotment tables and their effective date.
- .325 Section 63-503.325(MR) shall become inoperative and Section 63-503.325(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) Except during an initial month, all eligible one- and two-person households shall receive a minimum monthly allotment of \$10 and all eligible households with three or more members which are entitled to \$1, \$3, and \$5 allotments shall receive allotments of \$2, \$4, and \$6 respectively to correspond with current coupon book determination.
- (QR) Except during an initial month of application, all eligible one- and two-person change reporting and QR households shall receive a minimum monthly allotment of \$10 and all eligible households with three or more members which are entitled to \$1, \$3, and \$5 allotments shall receive allotments of \$2, \$4, and \$6 respectively to correspond with current coupon book determination.
- .326 Section 63-503.326(MR) shall become inoperative and Section 63-503.326(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) For an eligible household with three or more members which is entitled to benefits for the initial month but not the following month, the CWD shall certify the household in accordance with Section 63-504.1 and terminate the case for the following month if the household is prospectively ineligible. The household shall be notified in accordance with Section 63-504.261.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

- (QR) For an eligible change reporting household with three or more members which is entitled to benefits for the initial month but not the following month, the CWD shall certify the household in accordance with Section 63-504.1 and terminate the case for the following month if the household is prospectively ineligible. For QR/PB households with three or more members, benefits shall be provided during the QR Payment Quarter if averaged income over the quarter does not render the household ineligible for the quarter. The QR/PB household shall be certified in accordance with Section 63-504.1 if averaged income over the quarter for the QR/PB household does not exceed the 130 percent FPL for family size.
- .327 Section 63-503.327(MR) shall become inoperative and Section 63-503.327 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) For those eligible households which are entitled to no benefits in their initial month of application in accordance with Section 63-503.324, but are entitled to benefits in the next month, the CWD shall certify the households beginning with the month of application.
- (QR) No Eligibility in the Initial Month of Application
- (QR) (a) For those eligible change reporting households which are not entitled to benefits in their initial month of application in accordance with Section 63-503.324, but are entitled to benefits in the next month, the CWD shall certify the households beginning with the month of application.
- (QR) (b) For QR/PB households whose income has been averaged over the QR Payment Quarter and averaged income makes the household ineligible, the application shall be denied unless the household is categorically eligible.
- (1) The CWD shall inform households whose applications have been denied that if their income stops or drops, the household may contact the CWD to reapply for benefits.
- (2) The CWD shall use the original application along with updated information if the household reapplies within 30 days of the denial of benefits.

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(Continued)

(3) The denial shall be rescinded providing the household is determined eligible based on new information.

.328 Section 63-503.328(MR) shall become inoperative and Section 63-503.328(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) When a household's circumstances change and it becomes entitled to a different income eligibility test, the CWD shall apply the different test at the next recertification or whenever the CWD changes the household's eligibility, benefit level or certification period, whichever occurs first.

(QR) When a change reporting or QR/PB household's circumstances change and it becomes entitled to a different income eligibility test, the CWD shall apply the different test at the next recertification or whenever the CWD changes the household's eligibility, benefit level or certification period, whichever occurs first.

.329 Section 63-503.329(MR) shall become inoperative and Section 63-503.329(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The CWD shall deny the application of an otherwise eligible household with three or more members that has a net income which would set its benefit level at zero. The application shall be denied on the grounds that net income exceeds the level at which benefits are issued unless any of the following occur:

(QR) The CWD shall deny the application of an otherwise eligible change reporting or QR/PB household with three or more members that has a net income which would set its benefit level at zero. The application shall be denied on the grounds that net income exceeds the level at which benefits are issued unless any of the following occur:

- (a) The benefit level of zero is due to proration; or
- (b) The household is categorically eligible as specified in Sections 63-301.7 and .82. The CWD shall notify these households of their eligibility for zero benefits.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

.4 Households with Special Circumstances

.41 Households with Self-Employment Income

Section 63-503.41(MR) shall become inoperative and Section 63-503.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) For monthly reporting households receiving self-employment income, including those households that own and operate a commercial boarding house, the CWD shall calculate the self-employment income in accordance with this section. All households that own and operate a noncommercial boarding house shall have their income calculated in accordance with Section 63-503.42.

(QR) For QR households receiving self-employment income, including those households that own and operate a commercial boarding house, the CWD shall calculate the self-employment income in accordance with this section. All households that own and operate a noncommercial boarding house shall have their income calculated in accordance with Section 63-503.42. QR/PB households are subject to income averaging rules as specified in Sections 63-509(a)(4), (a)(5) and (a)(6).

.411 Households with Self-Employment Income

(a) Section 63-503.411(a)(MR) shall become inoperative and Section 63-503.411(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Monthly reporting households which receive self-employment income on a monthly basis shall report the actual amount of such income on the monthly eligibility report. The CWD shall calculate the household's benefit level for each month based on the actual amount of self-employment income reported even if such income fluctuates from month to month.

(QR) QR households which receive self-employment income on a monthly basis shall report the actual amount of such income on the QR Report for the Data Month. The CWD shall calculate the household's benefit level for the Payment Quarter based on the actual amount of self-employment income reported on the QR 7 and anticipated income for each month of the upcoming QR Payment Quarter. Self-employment income shall be averaged over the QR Payment Quarter. Changes in self-employment income that occur mid-quarter shall be treated in accordance with Section 63-509(d).

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

(b) Section 63-503.411(b)(MR) shall become inoperative and Section 63-504.411(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Self-employment income received less often than monthly which represents a household's annual income shall be averaged over a 12-month period even if the household receives income from other sources in addition to self-employment. If income is from a household member's self-employment in a farming or fishing operation and irregular expenses are incurred to produce that income, the household shall have the option to annualize the allowable costs of producing self-employment income from farming when the self-employment farm income is annualized.

(QR) Self-employment income received less often than monthly which represents a change reporting or QR/PB household's annual income shall be averaged over a 12-month period even if the household receives income from other sources in addition to self-employment. The annualized monthly income figure shall be used as the averaged income for the QR Payment quarter.

If income is from a household member's self-employment in a farming or fishing operation and irregular expenses are incurred to produce that income, the household shall have the option to annualize the allowable costs of producing self-employment income from farming when the self-employment farm income is annualized. For QR households, the annualized monthly figure for allowable costs of producing income from farming or fishing shall be used as an averaged expense for the QR Payment quarter.

(c) Section 63-503.411(c)(MR) shall become inoperative and Section 63-503.411(c)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If a household's self-employment enterprise has been in existence for less than a year the income from that self-employment enterprise shall be averaged over the period of time the business has been in operation, and the monthly amount projected over the certification period.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

(QR) If a household's self-employment enterprise has been in existence for less than a year, the income from that self-employment enterprise shall be averaged over the period of time the business has been in operation, and the monthly amount projected over the certification period. For QR/PB households, the projected income over the certification period shall be used in averaging income over the QR Payment Quarter.

.412 Averaging Self-Employment Income Received Less Often Than Monthly

(a) At the time of application, the income and expenses from a self-employment enterprise shall be verified for either the last year or the last period during which income was earned and which was intended to cover either a year or part of a year. The CWD shall then use this verified information to average the household's income over the next year or period of time the income is intended to cover.

(1) If the household has experienced a substantial increase or decrease in business income and can provide the CWD with information that shows the averaged amount is not reflective of the household's actual circumstances, the CWD shall then calculate the household's self-employment income based on anticipated earnings rather than prior income.

(b) Section 63-503.412(b)(MR) shall become inoperative and Section 63-503.412(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Self-employment must be averaged over the period of time the income is intended to cover even if the household receives income from other sources.

(QR) Self-employment must be averaged over the period of time the income is intended to cover even if the household receives income from other sources. For QR/PB households, self-employment must be averaged over the certification period or over a QR Payment Quarter.

(c) Section 63-503.412(c)(MR) shall become inoperative and Section 63-503.412(c)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

(MR) Actual self-employment income and expense information reported and verified with the household's CA 7 shall be used at the household's next certification to average and project the household's circumstances for the next year or period of time the income is intended to cover, except that the self-employment income averaged for the current certification period must be redetermined in the following instances:

(QR) Actual self-employment income and expense information reported and verified with the household's last QR 7 shall be used at the household's next certification to average and project the household's circumstances for the next year or next QR Payment Quarter, except that the self-employment income averaged for the current certification period or QR Payment Quarter must be redetermined in the following instances:

- (1) The household will likely experience or has experienced a substantial decline in income due to a change in circumstance such as crop failure or bankruptcy;
- (2) The household reports increases or decreases in self-employment income that are outside what is normal for the particular season or trade.
- (3) The household provides the CWD with verification of self-employment expenses which the household incurred to produce the income specified in Section 63-503.412(a), but had previously failed to give to the CWD.

In redetermining a household's averaged self-employment income the CWD shall only consider income and expenses which have been verified.

.413 Allowable Cost of Producing Self-Employment Income

To determine the net gross income of the applicant or recipient, the individual shall choose either actual costs of producing self-employment income or a standard deduction of 40 percent of gross earned income. The amount of actual costs of producing self-employment or the standard 40 percent of gross earned income is deducted from total gross earned income to arrive at the net gross earned income amount. Recipients shall be allowed to change the method of deduction only at recertification or every six months, whichever occurs first.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

- (a) Actual allowable costs of producing self-employment income include, but are not limited to, the identifiable costs of labor, stock, raw material, seed and fertilizer; payments on the principal of the purchase price of income-producing real estate and capital assets, equipment, machinery, and other durable goods; interest paid to purchase income-producing property, insurance premiums, and taxes paid on income-producing property.
- (b) If actual costs are chosen, the following items shall not be allowed as a cost of doing business:
 - (1) Net losses from previous periods; and
 - (2) Federal, state and local income taxes, money set aside for retirement purposes, and other work-related personal expenses (such as transportation to and from work), as these expenses are accounted for by the earned income deduction, specified in Section 63-502.32.
 - (3) Depreciation; and
 - (4) Any amount that exceeds the payment a household receives from a boarder for lodging and meals.

.414 Capital Gains

The proceeds from the sale of capital goods or equipment shall be calculated in the same manner as a capital gain for Federal income tax purposes. Even if only 50 percent of the proceeds from the sale of capital goods or equipment is taxed for Federal income tax purposes, the CWD shall count the full amount of the capital gain as income for food stamp purposes. For households whose self-employment income is calculated on an anticipated, rather than averaged basis in accordance with Section 63-503.412(a)(1), the CWD must count the amount of capital gains the household anticipates receiving during the months over which the income is being averaged.

.415 Determining Monthly Income from Self-Employment

The monthly net self-employment income shall be added to any other earned income received by the household, and the net monthly income shall be computed, in accordance with Section 63-503.31.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

Sections 63-503.415(a) through (b)(1)(MR) shall become inoperative and Sections 63-503.415(a) through (b)(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

- (MR) (a) For monthly reporting households who report their actual monthly self-employment income on the CA 7, the CWD shall add all gross self-employment income (including capital gains), and exclude the actual monthly cost of producing the self-employment income as reported on the CA 7.
- (MR) (b) For the period of time over which self-employment income is averaged, the CWD shall add gross self-employment income (including capital gains), exclude the cost of producing the self-employment income, and divide the self-employment income by the number of months over which the income will be averaged.
- (MR) (1) For self-employed farmers or fishermen, as defined in Section 63-102s, losses shall be prorated in the same manner used to prorate the self-employment income.
- (QR) (a) For QR households that report actual monthly self-employment income on the QR 7, the CWD shall add all gross self-employment income (including capital gains) and average it over the QR Payment Quarter, and exclude the averaged anticipated cost of doing business. The CWD shall determine if the monthly income is already determined by averaging income over the certification period or if anticipated income is to be averaged over the QR Payment Quarter. Calculation of benefits over the quarter shall be computed in accordance with Section 63-509.
- (QR) (b) The CWD shall add gross self-employment income (including capital gains) over the three-month QR Payment Quarter and divide the gross income total by three (3) to determine the monthly income amount for each month of the quarter. Stable income; e.g., income averaged over the certification period, need not be averaged over the quarter.

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(Continued)

- (QR) (1) For self-employed farmers or fishermen, losses shall be averaged in the same manner used to average the self-employment income, either over the certification period or over the QR Payment Quarter.

- (c) For migrant farmworker households self-employment income is calculated on an anticipated basis. The CWD shall add any capital gains the household anticipates it will receive in the next 12 months, starting with the date the application is filed, and divide this amount by 12. This amount shall be used in successive certification periods during the next 12 months, except that a new average monthly amount shall be calculated over this 12-month period if the anticipated amount of capital gains changes. The CWD shall then add the anticipated monthly amount of capital gains to the anticipated monthly self-employment income, and subtract the cost of producing the self-employment income. The cost of producing the self-employment income shall be calculated by anticipating the monthly allowable cost of producing the self-employment income.

- (d) For self-employed farmers or fishermen, as defined in Section 63-102(s), if the cost of producing the self-employment income exceeds the income derived from self-employment as a farmer or fisherman, such losses shall be prorated in accordance with Section 63-503.412(b), and then offset against countable income in the household as follows:
 - (1) Offset farm or fishing self-employment losses first against other self-employment income.

 - (2) Offset any remaining farm or fishing self-employment losses against the total amount of earned and unearned income after the earned income deduction has been applied.

.416 If the CWD determines that a household is eligible based on its monthly net income, the CWD may elect to offer the household an option to determine the benefit level by using either the same net income which was used to determine eligibility, or by prorating the household's total net income over the period for which the household's self-employment income was averaged to more closely approximate the time when the income was actually received. If income is prorated, the net income assigned in any month cannot exceed the maximum monthly income eligibility standards for the household size.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

HANDBOOK BEGINS HERE

- (1) The following is an example of how the farming or fishing offset should be applied in determining the monthly net self-employment income to be used for both the gross and net income eligibility tests and benefit computations:

Self-Employment Income Computation

Gross Income	\$500
Expenses	<u>- 600</u>

Total Monthly Nonexempt Income	- 100
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A. Gross Income Eligibility

1. Gross Salary	\$300
2. Self-Employment	<u>- 0</u>

Total Gross Earned Income	300
Unearned Income (Cash Aid)	450

Total Gross Earned and Unearned Income	<u>750</u>
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Net Income Eligibility

Adjusted Gross Earned Income	\$240	(300 x .80)
Cash Aid	450	
Less Offset	-100	
Total Nonexempt Gross Income	590	

HANDBOOK CONTINUES

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(Continued)

.494 Awaiting Verification

- (a) While the CWD is awaiting receipt and/or verification from the noncitizen of information necessary to carry out the provisions of Section 63-503.49, the sponsored noncitizen shall be ineligible to participate until all necessary facts are obtained. In determining the eligibility and/or benefit level of the remaining household members, the income and resources of the ineligible noncitizen (excluding the attributed income and resources of the noncitizen's sponsor and sponsor's spouse) shall be handled in accordance with Section 63-503.44.
- (b) If the sponsored alien refuses to cooperate in providing and/or verifying needed information, other adult members of the alien's household shall be responsible for providing and/or verifying information required in accordance with Section 63-505.1. If the information or verification is subsequently received, the CWD shall act on the information as a reported change in household membership in accordance with the timeliness standards in Sections 63-504.3 and .4. If the same sponsor is responsible for the entire household, the entire household is ineligible until such time as needed sponsor information is provided and/or verified.

.5 Section 63-503.5(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Nonexcluded scholarship, deferred educational loans and educational grant income received less often than monthly for both change reporting and QR households shall be averaged, after exclusions, over the period it is intended to cover.

.6 Section 63-503.6(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Contract income received by change reporting and QR households that derive their annual income in a period of time shorter than one year shall be averaged over the period it is intended to cover, provided the income from the contract is not earned on an hourly or piece-work basis.

.7 Failure to Comply with Another Assistance Program's Requirements

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(Continued)

- | .71 The CWD shall not increase food stamp benefits when the household’s benefits from another federal, state or local welfare or public assistance program have been reduced due to failure to comply with a requirement of that program. The provision does not apply when a food stamp household member who fails to comply is subject to a food stamp work sanction imposed pursuant to Section 63-407.541. The following conditions apply:
 - | .711 The welfare or public assistance program must be: “Means-tested”, as defined in Section 63-502.171; governed by welfare or public assistance laws or regulations; and distribute public funds.
 - | .712 Food stamp benefits shall be adjusted when eligible members are added to the food stamp household regardless of whether the household is prohibited from receiving benefits for the additional member under another federal, state or local welfare or public assistance means-tested program.
 - | .713 Changes in household circumstances which are not related to failure to comply with another federal, state or local welfare or public assistance means-tested program shall not be affected by this provision.
 - | .714 The CWD shall calculate food stamp benefits using the benefit amount that would have been issued if no penalty had been imposed.

- | .72 The CWD shall identify that portion of the reduction in the other welfare or public assistance program’s benefits due to failure to comply with a requirement of that program.
 - | .721 The CWD shall calculate food stamp benefits using the benefit amount that would have been issued if no reduction due to failure to comply had been imposed.

- | .8 Homeless Food Stamp Households

Homeless food stamp households shall be permitted to use their food stamp benefits to purchase prepared meals from meal providers for the homeless which have been authorized by the Food and Nutrition Service (FNS) to accept food stamp coupons.

- | .9 Section 63-503.9(MR) shall become inoperative and Section 63-503.9(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

(MR) Certified Monthly Reporting Households Applying for Aid in a New County

(QR) Households Losing County Residence

.91 Section 63-503.91(MR) shall become inoperative and Section 63-503.91(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The applications of households which were certified for Food Stamp Program participation in one county or state and which move to another county or this state and apply for benefits without at least a one-month break in certification, shall be treated as initial applications, except they shall continue to be retrospectively budgeted, as specified in Section 63-504.711. Households which have requested and are entitled to expedited service shall have their benefits available in accordance with Section 63-301.531(b).

(QR) The applications of change reporting food stamp households which were certified for Food Stamp Program participation in one county and which move to another county and apply for benefits, shall be treated as initial applications, except they shall continue to be retrospectively budgeted, as specified in Section 63-504.711. Households which have requested and are entitled to expedited service shall have their benefits available in accordance with Section 63-301.531(b).

.911 Section 63-503.911(MR) shall become inoperative and Sections 63-503.911(a) and (b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Households which were subject to retrospective budgeting in the previous county or state shall continue to be retrospectively budgeted, unless the household is now excluded, as specified in Section 63-505.21.

(QR) (a) For households that are subject to QR/PB and move out of state, benefit shall be terminated mid-quarter.

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(QR) (b) For QR/PB households that move out of county, the CWD shall continue to follow existing rules which require the recipient to be discontinued from the former county of residence and reapply in the new county, except when there is a companion CalWORKs case that is being transferred, the former county will continue to provide benefits until the end of the month in which the CalWORKs case is transferred from the former county in accordance with Section 63-509(c)(2). The new county shall assign a new QR reporting cycle to the household.

.912 The CWD shall assist all households, as specified in Sections 63-103.21(i)(8) and 63-300.55, in obtaining any missing verification which the household had provided to the county or state in which the household was previously certified.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11265.1, .2 and .3, 11369, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.1(b)(2)(iii), (c)(3)(i), (ii) and (e)(1)(i) as published in the Federal Register, Volume 59, No. 110 on June 9, 1994; 7 CFR 273.2(j)(4); 7 CFR 273.4(c)(2), (c)(2)(i), (c)(2)(i)(A), (c)(2)(iv), (c)(2)(v), (c)(3)(v), and (e)(1) and (2); 7 CFR 273.9(b)(1)(ii), (b)(2)(ii), and (d)(6)(iii)(F); 7 CFR 273.10; 7 CFR 273.10(a)(1)(iii)(B); 7 CFR 273.10(c)(2)(iii), (c)(3)(ii), proposed amended 7 CFR 273.10(d) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (d)(1)(i), (d)(2), (d)(3), (d)(4), and proposed (d)(8) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and proposed amended 7 CFR 273.10(e)(1)(i)(E-H) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.11(a)(1)(i) through (iii), (a)(2)(i), (b)(1), (b)(1)(i) and (ii), (c), (c)(1), (c)(2), (c)(2)(iii), (c)(3)(ii), (d)(1), and (e)(1); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), (a)(1)(i)(C)(2), and (c)(3)(iv); 7 CFR 273.21(f)(2)(ii), (iii), (iv), and (v), (g)(3), (j)(1)(vii)(B), and (S); 7 CFR 273.24(b)(4); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) _____ F. Supp. _____; Waiver Letter WFS-100:FS-10-6-CA, dated October 2, 1990, U.S.D.A., Food and Consumer Services; Administrative Notice No. 89-12, No. 92-23, dated February 20, 1992, No. 94-39, and No. 94-65; Public Law (P.L.) 100-435, Section 351, and P.L. 101-624, Section 1717; [7 United States Code (U.S.C.) 2012, 2014(e), and 2017(c)(2)(B)]; 7 U.S.C. 2015(d)(1); 8 U.S.C. 1631, P.L. 104-193, Sections 115, 815, 821, 827 and 829 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Food Stamp Policy Memos 82-9 dated December 8, 1981, and 88-4 dated November 13, 1987, Federal Register, Vol. 66, No. 229, dated November 28, 2001, USDA, FNS AN 02-23 dated February 6, 2002; USDA FNS AN 03-23, dated May 1, 2003; and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

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.1 Certification Periods

The CWD shall certify each eligible household for a definite period of time within which a household shall be certified to receive benefits. At the expiration of such certification period, entitlement to food stamp benefits shall end. Under no circumstances shall benefits be continued beyond the end of a certification period without a new determination of eligibility. See Section 63-504.6 for recertification procedures. CWDs must assign the longest certification period possible based on the predictability of the household's circumstances. The first month of the certification period will be the first month for which the household is eligible to participate. The certification period cannot exceed 12 months, except as specified in Sections 63-504.13, .14, and .15.

Handbook Section 63-504.1(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

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(QR) Counties may match certification periods with QR reporting cycles. Where possible, CalWORKs shall adjust its redetermination period to coincide with the Food Stamp Program certification period. The food stamp certification period shall not be shortened unless as specified in Section 63-504.15. The certification may be lengthened if it does not exceed 12 months as specified in Section 63-504.16.

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.11 General Requirements for Establishing Certification Periods

.111 Certification periods shall conform to calendar or fiscal months, except that for initial applications where benefits are prorated, the beginning date of the certification period shall be the date the application was filed with the CWD. At initial application, the first month in the certification period shall generally be the month of application, even if the household's eligibility is not determined until a subsequent month. For timely reapplications and recertifications, the certification period shall begin with the month following the last month of the previous certification period. Households should be assigned certification periods of at least six months except as follows:

- (a) Households with unstable circumstances should be assigned certification periods consistent with their circumstances, but generally no less than three months.
- (b) Households may be assigned one or two-month certification periods when it appears likely that the household will become ineligible for food stamps in the near future.

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.12 Section 63-504.12(MR) shall become inoperative and Section 63-504.12(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Additional Requirements for Establishing Certification Periods for Monthly Reporting Households

(QR) Additional Requirements for Establishing Certification Periods for QR Households

.121 Public Assistance and Categorically Eligible Households

Households in which all members are contained in a single Public Assistance (PA) grant, and the food stamp applications are processed jointly as specified in Section 63-301.6, may have their food stamp recertifications, to the extent permitted by regulation, at the same time they are redetermined for PA eligibility.

The certification period shall be established for no longer than 12 months. The CWD shall be permitted to recertify food stamps when the PA redetermination occurs. However, if the PA redetermination and the food stamp recertification cannot be jointly processed, the CWD shall send the household a notice of expiration of its food stamp certification period as specified in Section 63-504.624 and proceed to recertify the household for food stamps in order not to exceed the 12 months. The certification period may be shortened as specified in Section 63-504.14 to keep the time frames on the same schedule.

(a) If a household initially applies jointly for food stamps and PA benefits, a nonassistance classification shall be assigned if the food stamp application is approved prior to the PA determination being made and the certification period shall be assigned in accordance with Section 63-504.122. When the PA application is approved, the household shall be reclassified as public assistance, but the certification period shall remain as originally assigned. (See Section 63-301.7 for additional procedures for PA categorically eligible households.)

.122 Nonassistance Households

All nonassistance households (NA) subject to monthly reporting shall be certified for a period not to exceed 12 months.

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.123 Changes in Classification

If the household classification changes and Food Stamp Program eligibility is retained, the certification period shall be changed as follows:

- (a) When all members of a currently certified NA household apply for PA benefits, the CWD shall inform the household that it may be recertified for food stamps at the same time its PA eligibility is determined. In order to do so, the household shall submit an application for recertification and have a joint interview in conjunction with the processing of the PA application. If the household agrees to be recertified in accordance with the PA application, the CWD shall provide the household with the application forms (DFA 285-A1 and DFA 285-A2) necessary to recertify the household. If the household is determined to be eligible for PA benefits, a new food stamp certification period shall be assigned in accordance with Section 63-504.121.
 - (1) If the household applying for PA benefits elects not to be recertified for food stamps in conjunction with processing of the PA application, the household's certification period shall remain as originally assigned, unless the CWD determines it is necessary to shorten the certification period in accordance with Section 63-504.14.
- (b) Households which have their PA eligibility terminated shall retain their originally assigned food stamp certification period, unless the CWD determines it is necessary to shorten the certification period in accordance with Sections 63-504.132(b) and 63-504.16.

.13 Transitional Food Stamp Benefits

.131 If the household receives CalWORKs benefits in the month that CalWORKs eligibility is terminated, the household will receive transitional food stamp benefits for five months after the CalWORKs case closes, unless:

- (a) The household moves out of state.
- (b) The household loses CalWORKs or food stamp benefits due to a CalWORKs or Food Stamp sanction.

.132 Transitional benefits shall be provided from the 1st of the month following the last month of participation in the CalWORKs program.

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- (a) Benefits shall be issued in an amount equal to the allotment received in the last month of CalWORKs eligibility, adjusted for the change in household income as a result of termination in the CalWORKs program.

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Example: A household is no longer receiving CalWORKs due to increased income in February. The transitional benefit would be based on the March food stamp budget minus the CalWORKs payment but not including the new or increased income. April 1st would be the beginning of the transitional food stamp period.

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- (b) The CWD shall adjust the food stamp certification period to coincide with the end of the transitional period.
- (c) The county shall notify the household of the change in their certification period.

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If the household wants to continue to receive food stamp benefits after the transitional benefit period ends, the household must submit an application for regular food stamp benefits.

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- (d) The CWD shall notify the household of the expiration of the transitional benefit period.

.14 Section 63-504.14(MR) shall become inoperative and Section 63-504.14(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Additional Requirements for Establishing Certification Periods for Nonmonthly Reporting Households

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(QR) Additional Requirements for Establishing Certification Periods for Change Reporting Households

.141 Section 63-504.141(MR) shall become inoperative and Section 63-504.141(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Nonmonthly reporting households shall be assigned the longest certification period possible based on the predictability of the individual household's circumstances. The certification period shall not exceed 12 months.

(QR) Change reporting and QR households shall be assigned the longest certification period possible based on the predictability of the individual household's circumstances. The certification period shall not exceed 12 months.

(a) Households shall be certified for one or two months, as appropriate, when the household cannot reasonably predict what its circumstances will be in the near future, or when there is a substantial likelihood of frequent and significant changes in income or household status.

.142 Certification periods for households consisting of all adult members who are elderly or disabled persons may be certified for up to 24 months, provided household circumstances are expected to remain stable. The CWD shall have at least one contact with these households every 12 months. The contact may be in the form of a telephone interview, an in-office interview or some form of a written report.

(a) If children are part of a household in which all other adult members are elderly or disabled, the household may be certified for up to 24 months.

.15 Certification Periods for Households Residing on a Reservation

.151 Section 63-504.151(MR) shall become inoperative and Section 63-504.151(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

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(MR) Monthly reporting households residing on a reservation shall be certified for 24 months.

(QR) Households residing on a reservation shall be certified for 24 months.

.152 When households move off the reservation, the CWD must either continue their certification periods until they would normally expire or shorten the certification period in accordance with Section 63-504.15.

.16 Shortening the Length of the Certification Period

.161 The CWD shall not shorten a household's certification period. The CWD must end a certification if the CWD determines the household becomes ineligible.

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Example: A household's certification will end by May 31st. However, in March of the same year, the CWD receives information that renders the household ineligible. The CWD cannot send a Notice of Expired Certification to shorten the certification period as a means of discontinuing the household from benefits. The certification period can be ended only if the CWD determines the household is ineligible and an adverse Notice of Action is sent to the household.

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.17 Lengthening the Certification Period

.171 CWDs may lengthen a household's certification period once it is established, as long as the total months of the certification period do not exceed 24 months for households in which all adult members are elderly or disabled, or 12 months for other households.

.172 If the CWD extends a household's certification period, it must advise the household in accordance with adequate notice provisions as specified in Section 63-504.2.

.2 Notices of Action

.21 General Requirements

.211 All notices of action shall contain the information necessary to be considered adequate. Requirements for specific notices are contained in Sections 63-504.221, 63-504.253 and 63-504.271. To be considered adequate, a notice of action shall:

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(Continued)

- (a) Explain in easily understandable language:
 - (1) The proposed action;
 - (2) The reason for the proposed action;
 - (3) The household's right to request a state hearing;
 - (4) The availability of continued benefits and the potential liability of the household for any overissuance received while awaiting a state hearing, if the hearing decision is adverse to the household.
- (b) Contain the telephone number to call for additional information. For households living outside the local calling area, a toll-free number or a number where collect calls will be accepted shall be provided.
- (c) Advise the household of the availability of free legal representation if there is an individual or organization available that provides these services.

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.212 The CWD may provide the name of a worker to contact.

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.213 A notice of action shall be considered timely if there are at least 10 days from the date the notice is mailed until the effective date of the change.

.22 Approval Actions

When an application is approved, the CWD shall send the household a notice of action as soon as the determination is made, but no later than 30 days after the date of the initial application, unless the household's application was held pending. When a pending application is approved, the notice shall be sent as soon as the determination is made, but no later than the date the household receives their first allotment for the certification period.

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- .221 The notice of action shall advise the household of the following:
- (a) The amount of the allotment;
 - (b) The beginning and ending dates of the certification period; and
 - (c) Any anticipated variations in the benefit level based on changes anticipated at the time of certification.
- .222 Section 63-504.222(MR) shall become inoperative and Section 63-504.222(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) When the initial allotment includes benefits for both the month of application and the second month's benefits, the notice shall inform the household that this initial allotment includes more than one month's benefits and shall indicate the monthly benefit level for the remainder of the certification period.
- (QR) When the initial allotment includes benefits for both the month of application and the second month's benefits, the notice shall inform the household that this initial allotment includes more than one month's benefits and shall indicate the monthly benefit level for the remainder of the certification period for change reporting households or the benefit level for the QR Payment Quarter for QR/PB reporting households.
- .223 When a household's application is approved on an expedited basis and verification is postponed, as provided in Section 63-301.54, the notice shall inform the household of the requirements for providing the postponed verification, as specified in Section 63-301.543.
- .224 When the household is required to receive notice of the expiration of their certification period at the time of certification, the notice approving their application may be combined with this notice, or separate notices may be sent.

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- .225 Section 63-504.225(MR) shall become inoperative and Section 63-504.225(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The recommended CDSS developed form to use for notification of approval actions is the DFA 377.1 or a County substitute containing all notice requirements.
- (QR) The recommended CDSS-developed form to use for notification of approval actions is the DFA 377.1 QR or a county substitute containing all notice requirements.

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.23 Denial Actions

When an application is denied, the CWD shall provide the household with a notice of action explaining the basis for the denial. The notice shall be provided as soon as the determination is made, but no later than 30 days from the date the application was filed, unless the application was held pending. Once a pending application is denied, the notice shall be sent as soon as the determination is made.

- .231 If a potentially categorically eligible household is denied NA Food Stamps, the notice shall inform the household to notify the CWD if PA or GA benefits are approved.
- .232 If the CWD has elected to deny an application when a delay is caused by the household's failure to take action to complete the application process, as specified in Section 63-301.42, the notice informing the household of the denial action shall be provided no later than 30 days following the date the application was filed.
- .233 When the same application is used to determine the household's ineligibility for the month of application and its eligibility for the subsequent month, a combined or separate notice may be used for the denial and approval actions.

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- .234 The recommended CDSS developed form to use for notification of denial actions is the DFA 377.1A or a County substitute containing all notice requirements.

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.24 Pending Status

When an application is held pending because some action by the CWD is necessary to complete the application process or the CWD was elected to pend all cases regardless of the reason for the delay, the CWD shall provide the household with a notice of action informing the household of the action within the time frames specified in Section 63-301.42 or .431.

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.241 The recommended CDSS developed form to use for notification of the pending status of an application is the DFA 377.1A or a County substitute containing all notice requirements.

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.25 Expiration or Shortening of The Certification Period

.251 Expiration of the Certification Period

The CWD shall provide each household with a notice of the impending expiration of their certification period. Notice shall be given during the next to last month of the certification period, except as specified under the following circumstances.

- (a) Notice is not required for a PA household whose application for Food Stamps and PA benefits was jointly processed, if the household is recertified for Food Stamps at the same time as the PA redetermination, provided the redetermination occurs in the month prior to the last month of the certification period.
- (b) Notice is required at certification if a household is certified initially for a one or two month period, and the certification is completed in the month following the month of application.

.252 Shortening the Certification Period

The CWD shall provide notice of action to each household whose certification period is shortened, as specified in Section 63-504.14. The notice may be sent at any time during the month in which the change in household circumstances requiring recertification occurred or was reported. However, it must be received by the household no later than the first day of the last month of the shortened certification period.

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.253 Notice Requirements

The notice of action sent to inform the household of the expiration or shortening of their certification period shall advise the household of the following:

- (a) The date the current or shortened certification period ends;
- (b) The date by which the household must file an application for recertification to receive uninterrupted benefits;
- (c) That the household must appear for any interview scheduled on or after the date the application is timely filed in order to receive uninterrupted benefits;
- (d) That the household is responsible for rescheduling any missed interview;
- (e) That the household must complete the interview and provide all required verification in order to receive uninterrupted benefits;
- (f) The number of days the household has for submitting missing verification if the household is informed at the interview of any further verification needed to receive uninterrupted benefits;
- (g) The household's right to request an application and submit an application to the CWD as long as it is signed and contains a legible name and address;
- (h) The address of the office where the application must be filed;
- (i) The consequences of failure to comply with the notice of expiration;
- (j) The household's right to file the application by mail or through an authorized representative; and
- (k) The household's right to request a state hearing.

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- .254 The recommended CDSS developed form to use for notification of the expiration or shortening of a certification period is the DFA 377.2 or a County substitute containing all notice requirements.

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.26 Changes in Eligibility Status or Benefit Levels

The CWD shall provide a notice of action to inform a household of any change in eligibility status or benefit level during their certification period.

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Handbook Section 63-504.26(MR) shall become inoperative and Handbook Section 63-504.26(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The Department of Social Services and the CWDs are permanently enjoined by court order in Saldivar v. McMahon from implementing MPP 22-022(j). Therefore, the CWDs are to continue to provide timely and adequate notice in all instances where the proposed action would result in a discontinuance or reduction of benefits due to a late or incomplete CA 7.

(QR) The Department of Social Services and the CWDs are permanently enjoined by court order in Saldivar v. McMahon from implementing MPP Section 22-022(j). Therefore, the CWDs are to continue to provide timely and adequate notice in all instances where the proposed action would result in a discontinuance or reduction of benefits due to a late or incomplete QR 7.

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.261 Adverse Actions

Timely notice shall be provided to a household prior to any action to reduce or terminate its benefits within the certification period, except as specified in Sections 63-504.264, .266, and .267. If a hearing officer determines that an overissuance claim exists, the household must be renotified of the claim, and delinquency is based on the due date of the subsequent notice and not the initial pre-hearing demand letter sent to the household.

.262 Increased Benefits

Adequate notice shall be provided to a household whenever benefits are increased as a result of a reported change no later than the date the increased benefits are received.

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.263 Proposed Change in Benefits

Section 63-504.263(MR) shall become inoperative and Section 63-504.263(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Notice of a proposed change in benefits shall be sent to a monthly reporting household that fails to submit verification/information of a deduction with a CA 7 that is otherwise complete as specified in Section 63-504.32, or submits a CA 7 that contains questionable information as defined in Section 63-300.53.

(QR) Notice of a proposed change in benefits shall be sent to a QR household that fails to submit verification/information of a deduction with a QR 7 that is otherwise complete as specified in Section 63-504.32, or submits a QR 7 that contains questionable information as defined in Section 63-300.53.

(a) Section 63-504.263(a)(MR) shall become inoperative and Section 63-504.263(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The notice of action shall be sent no later than 10 days before the end of the report month. The household shall be given until the extended filing date to provide the missing verification/information.

(QR) The notice of action shall be sent no later than 10 days before the end of the Submit Month. The household shall be given until the extended filing date to provide the missing verification/information.

(b) Section 63-504.263(b)(MR) shall become inoperative and Section 63-504.263(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) If the household submits a CA 7 after the CWD has mailed the notice specified in Section 63-504.27, the CWD need not provide a notice informing the household of a proposed change in benefits.

(QR) If the household submits a QR 7 after the CWD has mailed the notice specified in Section 63-504.27, the CWD need not provide a notice informing the household of a proposed change in benefits.

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(c) If the household submits incomplete verification/information after the CWD has mailed a notice informing the household of a proposed change in benefits, the CWD need not provide a second notice.

.264 Section 63-504.264 et seq.(MR) shall become inoperative and Section 63-504.264 et seq.(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Notification to Monthly Reporting Households

(QR) Notification to Quarterly Reporting Households

(MR) The CWD shall provide a notice of action to a monthly reporting household to inform them of any increase or decrease in benefits or any suspension of benefits as specified in Section 63-504.37, resulting from information reported by the household on the CA 7.

(QR) The CWD shall provide a notice of action to a QR household to inform them of any increase or decrease in benefits as specified in Section 63-504.37, resulting from information reported by the household on the QR 7.

(MR) (a) Notice shall be provided to a household which submits a complete CA 7, including all required verification, to the CWD by the 11th of the report month:

(QR) (a) Notice shall be provided to a household which submits a complete QR 7, including all required verification, to the CWD by the 11th of the submit month:

(1) At least 10 days before the effective date of a decrease in benefits; or

(2) No later than the date of receipt for an increase in benefits.

(MR) (b) Notice shall be provided to a household which submits a complete CA 7 after the 11th of the report month and by the extended filing date no later than the household's normal or delayed issuance date.

(QR) (b) Notice shall be provided to a household which submits a complete QR 7 after the 11th of the submit month and by the extended filing date no later than the household's normal or delayed issuance date.

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.265 Section 63-504.265(MR) shall become inoperative and Section 63-504.265(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The recommended CDSS developed form to use for notification of changes in eligibility status or benefit levels, or the suspension of benefits, is the DFA 377.4 or a County substitute containing all notice requirements.

(QR) The recommended CDSS-developed form to use for notification of changes in eligibility status or benefit levels is the DFA 377.4 QR or a county substitute containing all notice requirements.

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.266 Exemptions from Providing a Notice of Action

A notice of action is not required when:

- (a) The CWD determines, based on reliable information, that all members of a household have died.
- (b) The CWD determines, based on reliable information, that the household has moved out of the county.
- (c) The household has been receiving an increased allotment because of restoration of lost benefits, the restoration is complete, and the household was previously notified in writing of when the increased allotment would terminate.

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- (d) Section 63-504.266(d)(MR) shall become inoperative and Section 63-504.266(d)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The monthly reporting household's allotment varies from month to month during the beginning months to take into account changes which were estimated at the time of certification and the household was so notified at the time of certification.
- (QR) The QR household's allotment is adjusted to take into account changes which were estimated at the time of certification and the household was so notified at the time of certification.
- (e) Section 63-504.266(e)(MR) shall become inoperative and Section 63-504.266(e)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) The nonmonthly reporting household's allotment varies from month to month within the certification period to take into account changes which were anticipated at the time of certification, and the household was so notified at the time of certification.
- (QR) The change reporting household's allotment varies from month to month within the certification period to take into account changes which were anticipated at the time of certification, and the household was so notified at the time of certification.
- (f) The household jointly applied for PA and food stamp benefits and has been receiving food stamp benefits pending the approval of the PA grant and was notified at the time of certification that food stamp benefits may be reduced or terminated.
- (g) Converting a household from voluntary repayment to allotment benefit reduction as a result of failure to make agreed to repayments.
- (h) A household's participation in the Food Stamp Program is terminated because the household failed to provide verification which was postponed for expedited service.

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- (i) A household's participation in the Food Stamp Program is terminated because it failed to respond to a notice of action informing them of the expiration of their certification period.
- (j) Section 63-504.266(j)(MR) shall become inoperative and Section 63-504.266(j)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) A household's participation in the Food Stamp Program is terminated as specified in Section 63-504.33, because the household failed to respond to the notice of action informing them of the nonreceipt of the CA 7 by filing a complete CA 7 by the extended filing date.
- (QR) A household's participation in the Food Stamp Program is terminated as specified in Section 63-508.6, because the household failed to respond to the notice of action informing them of the nonreceipt of the QR 7 by filing a complete QR 7 by the extended filing date.
- (k) The CWD elects to use mass change notices to inform households of the types of mass changes specified in Sections 63-504.391 or .392.

.267 Exemptions from Providing a Timely Notice of Action

The CWD shall provide an adequate only notice of action as specified in Section 63-504.211, at the time of the allotment change when:

- (a) The CWD elects to use notices of action to inform households of the mass changes specified in Sections 63-504.391 and .392. A CWD electing to send mass change notices instead of notices of action is referred to Section 63-102m.(2).
- (b) A household member has applied, been determined eligible for, and is in receipt of SSI/SSP benefits.
- (c) The CWD is terminating the eligibility of a resident of a drug or alcoholic treatment center or a group living arrangement if the facility loses either its certification from the appropriate agency of the state, or has its status as an authorized representative suspended due to FNS disqualifying it as a retailer.

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- (d) A household member is disqualified for intentional Program violation, in accordance with CDSS' Manual of Policies and Procedures, Division 20, Chapter 20-300, or the allotments of the remaining household members are reduced or terminated to reflect the disqualification of that household member. The notice requirements for individuals or households affected by intentional Program violation disqualifications shall be in accordance with CDSS' Manual of Policies and Procedures, Division 20, Chapter 20-300.

- (e) A household's benefits are reduced or terminated as a result of:
 - (1) The household responding to a notice of action requesting verification which was postponed for expedited service.

 - (2) Section 63-504.267(e)(2)(MR) shall become inoperative and Section 63-504.267(e)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

 - (MR) The household responding to a notice of action requesting the household to submit a complete CA 7 by the extended filing date.

 - (QR) The household responding to a notice of action requesting the household to submit a complete QR 7 by the extended filing date.

HANDBOOK BEGINS HERE

- (A) Under the Saldivar v. McMahan court order CWDs are to continue to provide timely and adequate notice.

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- (3) The household responding to a notice of action requesting the household to submit missing verification or additional verification/clarification of questionable information, as specified in Section 63-504.263.

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- (A) Under the Saldivar v. McMahon court order CWDs are to continue to provide timely and adequate notice.

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- (4) The household failing to respond to a notice of action requesting missing verification, as specified in Section 63-504.34.
- (f) The household voluntarily requests, in writing or in the presence of an EW, that its participation be terminated. If the household does not provide a written request, the CWD shall send the household a letter confirming the voluntary withdrawal. Written confirmation does not entail the same rights as a notice of action except that the household may request a state hearing.
- (g) The CWD determines, based on reliable information, that the household will not be residing in the county and, therefore, will be unable to obtain its next allotment.
- .27 Sections 63-504.27 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

CA 7 Not Received/CA 7 Incomplete

HANDBOOK BEGINS HERE

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

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The CWD shall provide a notice of action to a monthly reporting household which fails to file a CA 7 by the 11th of the report month or files an incomplete CA 7.

- (MR) .271 The notice of action shall inform the household:
- (MR) (a) That the CA 7 either is overdue or incomplete;

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- | (MR) (b) What the household must do to complete the CA 7;
- | (MR) (c) If any verification is missing and the effect on the household's benefits level;
- | (MR) (d) That the SSN of a new member must be reported;
- | (MR) (e) What the extended filing date is; and
- | (MR) (f) That the CWD will assist the household in completing the report.

- | (MR) .272 The CWD shall send the notice of action no later than 10 days before the end of the report month and give the household until the extended filing date, as specified in Section 63-504.33, to file a complete CA 7. If a complete CA 7 is received after the 11th of the report month, but prior to the mailing of the notice, the notice shall not be sent.

- | (MR) .273 If a household responds to the notice of action by submitting an incomplete CA 7, the CWD need not provide a second notice to the household.

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- | (MR) .274 The recommended CDSS developed forms to use in notifying households of a missing or incomplete CA 7 are the NA 960X or NA 960Y, respectively or a County substitute containing all notice requirements.

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- | .3 Sections 63-504.3 et seq.(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

| (MR) Monthly Reporting

| (MR) The CWD, at the time of the application interview, shall determine which households are subject to monthly reporting requirements, as specified in Section 63-505.2. The CWD shall provide all monthly reporting households with the CA 7 for reporting the information and changes required by Section 63-505.3. The CWD shall provide assistance in completing and filing the CA 7 to households whose adult members are all either mentally or physically disabled, non-English speaking or lacking in reading and writing skills such that they cannot complete and file the CA 7. The CWD shall require monthly reporting households to submit a complete CA 7 by the 5th of each report month. Recipient due dates and CWD time limits shall be modified by Section 63-102c.

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(MR) .31 CWD Action on the CA 7

(MR) .311 Upon receiving the CA 7 the CWD shall:

(MR) (a) Review the report to ensure completeness and consider the report incomplete if it does not meet the criteria for a complete CA 7, as defined in Section 63-504.32.

(MR) (b) Determine those items which will require additional verification and/or clarification, in accordance with Section 63-504.34.

(MR) (c) Notify the household, as specified in Section 63-504.33, of the need to correct an incomplete or inaccurate CA 7, and/or submit additional verification/clarification, as required by Section 63-504.34.

(MR) (d) Determine the household's eligibility prospectively by considering all factors, including income, in accordance with Section 63-503.321(a).

(MR) (e) Determine the household's level of benefits based on actual information reported on the CA 7 and household composition determined as of the issuance month, in accordance with Section 63-503.3. In calculating the household's benefit level, the following income and deductions shall be considered:

(MR) (1) Nonexcluded earned and unearned income received in the corresponding budget month, including the earned income of an elementary or secondary school student only if the student is 18 years of age or older at the beginning of the budget month except as specified in Section 63-407(a)(4)(A). The CWD shall use the actual amount received by the household to compute benefits, except as provided in Section 63-503.22.

(MR) (2) Allowable deductions as billed or averaged from the corresponding budget month, including those shelter costs billed less often than monthly which the household has chosen to average.

(MR) (f) Issue benefits, in accordance with the time frames set forth in Section 63-504.38.

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| (MR) .32 Complete CA 7

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

| (MR) .321 The CA 7 is dated no earlier than the first day of the report month.

| (MR) (a) This requirement shall be met when the date entered on the CA 7, together with other dated material provided with the CA 7, and the date on which the CWD mailed or gave the CA 7 to the household clearly establishes the month and year to which the CA 7 applies.

| (MR) (b) This requirement shall not apply when:

| (MR) (1) The first day of the report month falls on a nonpostal delivery day;

| (MR) (2) The CA 7 is mailed by the CWD for delivery on the last postal delivery day of the budget month; and

| (MR) (3) The recipient signs and dates the CA 7 on or before the last day of the budget month.

| (MR) .322 The CA 7 provides the CWD with address (location) information sufficient to locate the household, however, households which do not have a fixed address shall not have their CA 7s rendered incomplete solely for this reason.

| (MR) .323 The CA 7 is signed by the head of the household, authorized representative, or responsible household member. The PA caretaker relative, natural or adoptive parent, if not one of the above, shall not satisfy this requirement.

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- (MR) .324 All questions and items pertaining to food stamp eligibility are fully answered and provide the CWD with the information to correctly determine eligibility and benefit level, except as specified in Sections 63-504.324(c) and (d) and Section 63-505.311.
- (MR) (a) To be considered fully answered, information on the CA 7 together with attached documentation must provide sufficient information to allow for the determination of eligibility and/or benefit level.
- (MR) (b) Questions on the CA 7 shall not be considered fully answered if situations such as, but not limited to the following, exist:
- (MR) (1) The CA 7 does not include information on changes that the household has previously reported to have occurred; for example, an actual change that the household reported to the CWD by telephone was not included on the CA 7 unless the appropriate case action has already been taken.
- (MR) (2) The CA 7 does not include information that was reported on the previous CA 7 and the household does not indicate a change has occurred, e.g., the household previously reported earnings from two sources and this month reports earnings from one source but does not explain the change.
- (MR) (c) If elements pertaining to one program's requirements are missing from the CA 7, the CA 7 shall be considered incomplete for that program only.

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- | (MR) (d) The CWD shall not consider the CA 7 incomplete if information regarding child/spousal support disregard payments has not been included.

- | (MR) .325 Verification is provided for gross nonexcluded earned income each month and nonexcluded unearned income when first reported and when there is a change in the amount of income received, except as specified in Sections 63-505.311, and 63-504.325(a).

- | (MR) (a) For child/spousal support disregard payments, the agency record shall be the verification.

- | (MR) .326 Verification is provided for the source of all excluded income when first reported and when there is a change in the source of the income.

- | (MR) .33 CWD Action on an Incomplete CA 7

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- | (MR) (a) See handbook section in 63-504.26 for Saldivar v. McMahan court order requirements for timely and adequate notice.

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- | (MR) (b) After notifying the household as specified in Section 63-504.27, the CWD shall allow the household until the extended filing date to file a complete CA 7.

- | (MR) (c) The household's participation shall be terminated effective the end of the report month, as specified in Section 63-504.36, if the household fails to file a complete CA 7 by the extended filing date.

- | (MR) .34 CWD Action on a Complete CA 7 Requiring Additional Verification/Information

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

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If the household submits a CA 7 by the date the CWD mails the notification of the missing CA 7, but fails to provide the required verification/information with the CA 7, the CWD shall notify the household as specified in Section 63-504.26 of the need to submit the missing verification/information by the extended filing date. The CWD shall not delay benefits if the missing verification/information is for a deduction. If the household fails to provide the missing verification/information, other than for income, by the extended filing date, the CWD shall not consider the CA 7 incomplete. Any deductions for which the verification/information is missing shall be disallowed. Items specified in Sections 63-504.341(g) and (h) shall be handled as specified in Section 63-504.342.

| (MR) .341 The household shall provide with the CA 7 verification of the following items:

| (MR) (a) Dependent care costs which have changed since the last report or when there is questionable information which is inaccurate, incomplete, outdated, or inconsistent;

| (MR) (b) If the household voluntarily reports a change in its medical expenses and fails to verify the change as specified in Section 63-504.421, and that change would increase the household's allotment, the CWD shall not make the change. The CWD shall act on reported changes without requiring verification if the changes would decrease the households allotment or make the household ineligible, although verification which is required as specified in Section 63-504.421 shall be obtained prior to the household's recertification.

| (MR) (c) Utility costs which entitle the household to the standard utility allowance (SUA). The household shall provide verification of these costs when first allowed entitlement to the SUA and when the household moves;

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- | (MR) (d) Actual utility costs, if the household is claiming the actual expenses, when first allowed as a deduction, and when there is a move;
- | (MR) (e) All expenses incurred in producing self-employment income;
- | (MR) (f) Residency as defined in Section 63-401 when there is a change;
- | (MR) (g) Social Security numbers or citizenship or alien status for household members when there is a change.
- | (MR) (h) A change in the legal obligation to pay child support to a person not in the food stamp household, as specified in Section 63-502.37, and/or an increase in the amount of child support payments.
- | (MR) .342 The CWD may elect to require verification of housing costs when first allowed as a deduction and when there is a move, as specified in Section 63-300.52.
- | (MR) .343 If the household submits information and/or verification with the CA 7 which the CWD determines to be questionable, as specified in Section 63-300.53, the CWD shall notify the household as specified in Section 63-504.26. The household shall be allowed until the extended filing date to submit the necessary verification/clarification. If the household fails to submit the necessary verification/clarification by the extended filing date, the CWD shall act on the reported information if it results in a decrease in benefits, or not act on the reported information if it results in an increase.
- | (MR) .344 The CWD shall contact the household as needed to obtain further information on specific items. These items include, but are not limited to:
 - | (MR) (a) The effect of a reported change in resources on a household's total resources; and
 - | (MR) (b) The effect of a reported change in household composition or loss of job or source of earned income on the applicability of the work registration or voluntary quit requirements.

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| (MR) .35 Action on Reported Information

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

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

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

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

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

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

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

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- | (MR) (b) The CWD shall prospectively budget the new member's income and specific deduction in combination with the existing household's retrospectively budgeted income and deductions to determine the household's benefit level for the first two months the new member is added to the household. The entire household shall be retrospectively budgeted in the third and subsequent months. If the new member had been providing income to the household on an ongoing basis prior to becoming a member of the household and that new member's income had been budgeted retrospectively, the CWD shall exclude the previously provided income in determining the household's issuance month benefits and eligibility.
- | (MR) 1. The CWD shall add a previously excluded member's income (an individual who was disqualified for an IPV or failure to comply with workfare or work requirements, was ineligible because of failure to comply with the social security number requirement, or was previously an ineligible alien), retrospectively. The previously excluded member shall be added to the household the month after the disqualification period ends. All other previously excluded members such as SSI/SSP individuals or ineligible students, shall have his/her income added prospectively in accordance with the procedures in paragraph (a) of this section.

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- | (MR) (c) The CWD shall notify the household as specified in Section 63-504.26, if the new member's income and resources make the household ineligible or result in a reduction or increase in benefits.

- | (MR) .354 If the household reports the addition of a new member after the extended filing date for the appropriate month, the CWD shall determine the effect of the new member's income, resources, and deductions on the existing household's eligibility and benefit level.

- | (MR) (a) The CWD shall prospectively budget the income and deductions of the new member for the first two months following the month in which the new member should have been included as a member of the household. The CWD then shall follow the budgeting procedures as specified in Section 63-504.353(b).

- | (MR) (b) The CWD shall establish a claim against the household, in accordance with Section 63-801, to recover any overissuances resulting from the unreported addition of the household member.

- | (MR) (c) The household shall not be entitled to any restoration of lost benefits resulting from the unreported addition of the household member, in accordance with Section 63-802.1.

- | (MR) .355 The household shall provide, as specified in Sections 63-300.51 and 63-504.32, the information necessary to complete the determinations of eligibility and benefit levels for the household and the new member(s).

- | (MR) (a) If the household refuses to provide the necessary information, their participation shall be terminated as specified in Section 63-505.1.

- | (MR) (b) If the household fails to provide the necessary information regarding the new member on the CA 7 for the budget month in which the change was reported, the CA 7 is considered incomplete and the household's participation shall be terminated as specified in Section 63-504.361(b).

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

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

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

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

(MR) .36 Termination

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

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

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

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

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- | (MR) (a) Excess resources shall not be counted if they are reduced to the resource limit in the month received.
- | (MR) (b) If a suspended household experiences an unanticipated change resulting in an additional one month period of ineligibility, the CWD shall terminate the household at the end of the month of suspension. If the household reapplies in the month following termination and is prospectively determined to be eligible for benefits, the CWD shall approve the application. If ineligible in the month of reapplication due to retrospective budgeting, the CWD shall suspend the household for the month of reapplication and continue to retrospectively budget the household's income and deductions in the subsequent months.
- | (MR) .373 The CWD shall notify the household of the suspension as specified in Section 63-504.264, and supply the household with a CA 7 for the month of suspension.
- | (MR) .374 The household shall be required to submit the complete CA 7 by the normal due date. If the household fails to submit the CA 7 by the normal due date, the CWD shall notify the household as specified in Section 63-504.27.
- | (MR) .375 If the suspended household fails to submit a complete CA 7 for the month of suspension by the extended filing date, the CWD shall terminate the household's participation.
- | (MR) .376 Retrospective budgeting shall be used to calculate the household's benefit level in the month following suspension, if the household is eligible to participate in the Food Stamp Program.
- | (MR) .38 Issuance of Benefits
- | (MR) .381 Timely Issuance
- The CWD shall issue benefits by the household's regular issuance date, to an eligible household which has filed a complete CA 7 by 10 days before the end of the report month.
- | (MR) .382 Delayed Issuance
- If an eligible household fails to file a complete CA 7 after 10 days before the end of the report month, but files a complete CA 7 by the extended filing date, the CWD shall issue the household's benefits as soon as administratively feasible. However, if necessary the CWD may delay providing the household an opportunity to participate up to 10 days after its normal issuance date.

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.39 Mass Changes

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

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

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

.392 Mass Changes in Public Assistance

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

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

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

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

(MR) Effecting Changes for Nonmonthly Reporting Households

(QR) Effecting Changes for Change Reporting Households

.41 Change Report Form (DFA 377.5)

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

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- .411 At a minimum, a DFA 377.5 shall be provided:
 - (a) At the time of certification;
 - (b) At recertification, if the household needs a new form; and
 - (c) Whenever a DFA 377.5 is returned by the household.

- .412 The DFA 377.5 shall include a toll-free number or number where collect calls will be accepted for households living outside the local calling area.

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

(MR) Action on Reported Changes for Prospectively Budgeted Households

(QR) Action on Reported Changes in Change Reporting Households

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

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- (2) The CWD shall not verify utility expenses which are unchanged or have changed by \$25 or less.
 - (3) The CWD shall not verify medical expenses which are unchanged or have changed by \$25 or less. Also, changes in medical expenses obtained from a source other than the household shall not be acted on if, in order to take action, the CWD is required to contact the household for verification. The CWD shall only act on changes received from another source if they are verified upon receipt and do not necessitate contact with the household.
 - (4) The CWD shall not verify an unchanged legal obligation to pay child support to a nonhousehold member or a decrease in the amount of child support paid.
- (d) The CWD shall verify changes to voluntarily reported medical expenses if the change is over \$25 and would increase the household's allotment. In the case of a reported change that would decrease the household's allotment, or make the household ineligible, the CWD shall act on the change without requiring verification, although verification which is required because the amount is over \$25 shall be obtained prior to the household's recertification.
- (e) The CWD shall verify questionable information which is incomplete, inaccurate, inconsistent or outdated.

.422 Increase in Benefits

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

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

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- (b) For changes which result in an increase in a household's benefits due to the addition of a new household member who is not a member of another certified household, or due to a decrease of \$50 or more in the household's gross monthly income, the CWD shall make the change effective not later than the month following the month in which the change is reported. If the change is reported after the 20th day of a month and it is too late for the CWD to adjust the following month's allotment, the CWD shall issue a supplementary authorization document or otherwise provide an opportunity for the household to obtain the increase in benefits by the 10th day of the following month, or the household's normal issuance cycle in that month, whichever is later.

- (c) Changes which result in an increase in the household's benefits shall be verified, as specified in Sections 63-300.5 and 63-504.325(a), prior to taking action on these changes. The household shall be allowed 10 days from the date the change is reported to provide the required verification.
 - (1) If the household provides verification within the 10 days, the CWD shall take action on the changes within the time frames specified in Sections 63-504.422(a) and (b). These time frames shall run from the date the change was reported.
 - (2) If the household fails to provide the required verification within 10 days after the change is reported, but provides the verification at a later date, the time frames specified in Sections 63-504.422(a) and (b), shall run from the date verification is provided.
 - (3) In cases where the CWD has determined that a household has refused to cooperate, as specified in Section 63-505.1, the CWD shall terminate the household's participation following the issuance of a timely notice of action.

.423 Decrease in Benefits

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

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

(MR) Nonmonthly Reporting Households Receiving PA Benefits

(QR) Change Reporting Households Receiving PA Benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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.44 Failure to Report

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

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

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

.45 Mass Changes

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

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

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

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

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

(a) Recertification Process

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

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(b) Desk Reviews

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

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

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

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

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

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

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

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

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

(QR) Procedures for Households Changing Their Reporting Status

.51 Households which become subject to QR/PB

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

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- .511 The CWD shall provide the household with information as specified in Section 63-300.41. If the CWD implements the change during the certification period, it may omit the verbal explanations for QR/PB.

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

- .52 Section 63-504.52(MR) shall become inoperative and Section 63-504.52(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (MR) Households which are no longer subject to monthly reporting/retrospective budgeting
 - (MR) The CWD shall use the following procedures to remove households from the monthly reporting/retrospective budgeting system.
 - (QR) The CWD shall use the following procedures to remove households from the QR/PB budgeting system.

- .521 Section 63-504.521(MR) shall become inoperative and Section 63-504.521(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (MR) For any household which becomes exempt from the monthly reporting/retrospective budgeting system as specified in Section 63-505.21, the CWD shall notify the household within 10 days of the date the CWD becomes aware of the change that:
 - (a) The household has become exempt from monthly reporting and is no longer required to file any future CA 7s. This does not apply to households in which one or more household members are in receipt of cash aid from programs such as AFDC, GA/GR, RCA or ECA which do require a monthly report.
 - (b) The household has also become exempt from retrospective budgeting, and when
 - (c) The change in budgeting will go into effect.
 - (QR) For any household which becomes exempt from the QR/PB budgeting system as specified in Section 63-505.21, the CWD shall notify the household within 10 days of the date the CWD becomes aware of the change that:

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

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

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

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

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

.6 Recertification of All Households

.61 General Requirements

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

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

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

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

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

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

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

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

(j) CWD Failure to Act

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

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

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

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

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

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

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

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

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

(MR) Process for Recertifying Nonmonthly Reporting Households

(QR) Process for Recertifying Change Reporting Households

.631 The following verification requirements shall apply at recertification:

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

.7 Identification (ID) Cards

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

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

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

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.73 Mailing ID Cards

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

.74 Issuance/Replacement of ID Cards

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

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(Continued)

.8 Photo ID Cards/Systems

.81 Mandatory Photo ID Cards

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

.82 Exemption from a Photo ID System

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

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

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(Continued)

.88 Photo ID Card Waivers

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

NOTE: Authority cited: Sections 10553, 10554, 10604, 11265.1, .2, and .3, 11369, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18901.6, 18904, and 18910, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(8)(i); (f) (8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (f)(8)(ii), (h), and (h)(1)(i)(D), 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.9(d)(6)(iii)(F), 7 CFR 273.10(d)(4), (f), (g)(1)(i) and (ii); 7 CFR 273.12(a)(1)(i)(A), (a)(1)(i)(B), and (a)(1)(i)(C)(2); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.12(e)(1), (e)(2), and (e)(4); 7 CFR 273.13(a)(2); 7 CFR 273.13(b)(1); 7 CFR 273.14; 7 CFR 273.14(b)(3) and (e); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), (f)(2)(v), (h)(2)(iv), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii), (j)(3)(ii), (j)(3)(iii)(B), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; Public Law (P.L.) 100-435, Section 351, P.L. 101-624, and P.L. 103-66; Section 1717, [7 U.S.C. 2014(e)]; 7 U.S.C. 2014(d)(7), 2017(c)(2)(B) and 2020(s); U.S.D.A. Food and Consumer Services, Administrative Notices 94-39 and 97-50; P.L. 104-193, Sections 801, 807 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996); Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; Federal Administrative Notice 97-99, dated August 12, 1997; and United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) Administrative Notice (AN) 02-23, dated February 6, 2002; and USDA FNS AN 03-23, dated May 1, 2003.

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

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

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

- (a) The household cooperates; or
- (b) The household reapplies at least 95 days after the end of the annual review period in which the refusal to cooperate with a nonfederal QC reviewer occurred; or
- (c) The household reapplies after seven months from the end of the annual review period in which the refusal to cooperate with a federal QC reviewer occurred.

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

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

Eligible household members who are not exempt per Sections 63-601.12 through .125 and Section 63-601.14 shall be required to fulfill SFIS requirements prior to the issuance of food stamp benefits to that household, even if the household is eligible for benefits. The SFIS requirements, exemptions, and postponements are explained in Sections 63-601.12 through .125, Section 63-601.13, and Section 63-601.14.

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

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

(MR) Monthly Reporting/Retrospective Budgeting Households

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

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(QR) Quarterly Reporting/Prospective Budgeting Households

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

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

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

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

.211 Migrant farmworker households, as defined in Section 63-102(m).

.212 Seasonal farmworker households, as defined in Section 63-102s.

.213 Households in which all adult members are elderly or disabled, as defined in Section 63-102(e), and have no earned income.

.214 Households in which all members are homeless individuals, as defined in Section 63-102(h)(1).

.215 Households residing on Indian reservations.

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

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

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

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| (MR) Reported Information for Monthly Reporting Households

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

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

| (QR) Reported Information for QR Households

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

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

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- .32 Any changes in income, shelter and utility costs when there is a move, child care costs, a change in the legal obligation to pay child support payments to a nonhousehold member, resources or other relevant circumstances affecting eligibility which the household expects to occur in the upcoming Payment Quarter or which occurred in the Data Month.
- .33 For food stamp purposes, households need not provide PA only information requested on the Quarterly Report (QR 7).
- .34 A reduction of work effort to less than 20 hours per week, or averaged monthly 80 hours a month, for purposes of determining whether an ABAWD has satisfied the work requirement defined in Section 63-410.2.
- .4 Section 63-505.4(MR) shall become inoperative and Section 63-505.4(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Verification Responsibilities for Monthly Reporting Households

(QR) Verification Responsibilities for Quarterly Reporting Households

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

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

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

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

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

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

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

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

.51 Household Responsibility to Report

The CWD shall not impose any food stamp reporting requirements on nonmonthly reporting households except as provided in Sections 63-505.511 through .517. Certified households shall report the following changes in circumstances:

63-505	HOUSEHOLD RESPONSIBILITIES (Continued)	63-505
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- .511 Changes in the sources of income, including starting or stopping a job or changing jobs, if the change is accompanied by a change in income. In addition, provided that the household is certified for no more than six months, changes in the amount of earned income of more than \$100 per month since the last time the allotment was calculated.
- .512 Changes in the amount of unearned income of more than \$50.
 - (a) Changes in the public assistance or the general assistance grant are not required to be reported. Since the CWD has prior knowledge of all changes in these grants, action shall be taken on the CWD information. However, if general assistance and food stamp cases are not jointly processed, the household is responsible for reporting changes of more than \$50.
 - (b) Households are not required to report changes in income that result from Social Security COLAs.
- .513 All changes in household composition, such as the addition or loss of a household member;
- .514 Changes in residence and the resulting change in shelter expenses;
- .515 The acquisition of a licensed vehicle not fully excludable under Section 63-501.
- .516 When cash on hand, stocks, bonds and money in a checking or savings account reach or exceed the maximum resource eligibility standard as specified in Section 63-409.12.
- .517 A change in the amount of child support payments made to a nonhousehold member as specified in Section 63-502.37, and/or a change in the legal obligation to pay child support.

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.518 A reduction of work effort to less than 20 hours per week, or averaged monthly 80 hours a month, for purposes of determining whether an ABAWD has satisfied the work requirement specified in Section 63-410.2.

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

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

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

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

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

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

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

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.522 If the decrease in monthly medical costs is expected to continue past the month of report, the CWD shall act on the change, in accordance with Section 63-504.42.

.6 Other Changes

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

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

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

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

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

.1 General Quarterly Reporting Process

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

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

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

.2 Quarterly Reporting Cycle

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

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

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

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

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

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

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.22 Aligning Reporting Cycles

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

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

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

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

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63-508 QUARTERLY REPORTING (Continued)

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

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

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

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

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

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

.4 Completeness Criteria for the QR 7

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

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

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

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

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.534 Termination of benefits is requested in writing.

.6 QR 7 Not Received or is Incomplete

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

.61 The notice of action shall inform the household:

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

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

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

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

.615 What the extended filing date is; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

.654 New Household Member Reported on the QR 7

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

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

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

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

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

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

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.655 Treatment of a Previously Disqualified Household Member

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

63-508 QUARTERLY REPORTING (Continued)**63-508****.66 Resource Eligibility**

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

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

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

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

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

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

NOTE: Authority cited: Sections 10554, 11265.1, .2, .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; and Food and Nutrition Service Quarterly Reporting waiver approval dated April 1, 2003.

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

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

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

(1) Prospective Budgeting

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

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

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

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**63-509 INCOME ELIGIBILITY AND BENEFIT CALCULATION
FOR QUARTERLY REPORTING (Continued)****63-509****(2) Reasonably Anticipated Income**

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

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

- (A) The income has been or will be approved or authorized within the upcoming quarter; and,
- (B) The household is otherwise reasonably certain that the income will be received within the quarter; and
- (C) The amount of the income is known.

1. A determination of what income is reasonably anticipated is required when a household:

- a. first applies for benefits;
- b. reports new income on the QR 7;
- c. reports on the QR 7 that income is expected to change;
- d. has income that fluctuates; and
- e. makes a mid-quarter report of an income change.

2. Using Different Sources to Determine Reasonably Anticipated Income

- a. The sources used to determine what income is reasonably anticipated may differ based on the circumstances listed in 63-509.121. The following sources may be used, but are not all inclusive:
 - (i) information provided by an employer; and/or

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

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

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

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

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

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

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

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

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(B) Shelter Costs

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

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

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

(C) Utility Costs

Utility costs shall be determined at application and at recertification and shall remain at the same fixed amount during the certification period, with the exception of households entitled to the SUA. Households that have elected the SUA at initial application, recertification or when a household moves may switch to actual utility expenses per Section 63-502.363(5)(c).

1. Households that switch utilities mid-quarter shall have their benefits supplemented if the result of the utility change would increase benefits. In no event shall benefits be decreased mid-quarter for utility changes elected by the household.
2. A "NO Change NOA" shall be sent to the household with a reminder to report the new utility election on the next QR 7 if the utility election would cause benefits to decrease mid-quarter.
3. Anticipated actual utility amounts shall be averaged over a 12-month period and the resultant monthly amount shall remain fixed until there is another utility change at recertification or when the household moves.
 - a. The CWD shall verify, at county option, a household's utility expenses if the household requests to claim expenses in excess of the SUA and the expense would actually result in a deduction.

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

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

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

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

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

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Income Determination

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

Computation

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

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(5) Weekly and Bi-Weekly Conversion Factor Usage

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

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

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Examples:

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

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

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

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

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

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(b) Mandatory Mid-Quarter Changes to Benefits

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

(1) Mandatory Recipient Mid-Quarter Reports

- (A) Recipients are mandated to report the following changes to the CWD within 10 calendar days of the date the change becomes known to the household:
1. For both PAFS and NAFS households, address changes and the accompanying shelter cost changes;
 2. For NAFS cases, any reduction in the number of hours worked to less than 20 hours per week or 80 hours per month for ABAWDs.

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

1. Drug felony convictions;
2. Fleeing felon status;
3. Violation of conditions of probation or parole;
4. Income exceeds the IRT.

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

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(c) Action on Mandatory Recipient Mid-Quarter Reports

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

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

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FOR QUARTERLY REPORTING (Continued)****63-509****(2) Change of Address – Move Out of State**

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

(3) Change of Address – Move Out of County

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

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

HANDBOOK BEGINS HERE**Example: PAFS Case**

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

Example: NAFS Case

A recipient is currently living in County A. On February 5th, the recipient informs County A that she now lives in County B. FS benefits will be discontinued in County A effective the end of February.

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**63-509 INCOME ELIGIBILITY AND BENEFIT CALCULATION
FOR QUARTERLY REPORTING (Continued)****63-509****(4) CalWORKs Income Exceeds the IRT**

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

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

(d) Voluntary Mid-Quarter Recipient Reports

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

- (1) Action to increase benefits shall be effective in the month the change actually occurs and after all verification has been received.
 - (A) If the change occurred prior to the date of report, recalculate and increase benefits based on the date of report after verification is received.
 - (B) If the change will occur in a future month, recalculate and increase benefits based on the date the change is expected to occur after verification is received.
- (2) Voluntarily reported changes may result in an increase in benefits for one program (CalWORKs), while decreasing benefits for the other program (Food Stamp Program). Action shall be taken to increase benefits in the one program, while suppressing the decrease to the other program's benefits.

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

- (3) Verification shall be requested immediately from the recipient when there is a decrease in income or a new household member is reported in the household. Action to increase benefits shall not take place until verification is received. The recipient shall be allowed 10 days to provide the requested verification.
- (4) The effective date for increases in benefits is determined differently for increases due to decreased income than for increases due to adding household members. Those effective dates are as follows:
 - (A) Increases due to decreased income are effective the first of the month in which the change is reported.
 - (B) Increases due to the addition of new household members are effective the first of the month following the report of the change.
- (5) When a household includes two members with income and one member experiences a decrease in income, only the decreased income of the one member is used to recalculate benefits.
- (6) If there are different sources of income received by the household and a decrease is reported for one of the sources, the CWD shall recalculate benefits using only the income from the decreased source. The recalculated income shall be added to the existing averaged household's income.
- (7) A "No Change NOA" shall be sent to the recipient when benefits cannot be increased.

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

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

CWDs have the option of processing voluntary mid-quarter reports prior to the end of the quarter that do not result in a change in benefits. However, the CWD must ensure that the information reported on the QR 7 is consistent with the "no change report" and information reported by the household. The CWD shall also determine eligibility for the next QR Payment Quarter using the most current known information.

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

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

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

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

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

Recalculation of averaged income:

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

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

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

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Food Stamp Program Computation:

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

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

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

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

Recalculation of averaged income:

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

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

Food Stamp Program Computation:

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

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

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

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

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Household changes that occur in the Submit Month and are reported on the QR 7 will be considered voluntary reports.

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

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

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- (f) Household Composition Changes Reported Mid-Quarter

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

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

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

- (1) The following are steps to be taken when a new person is reported in the home.
 - (A) Review eligibility for the new person in accordance with Food Stamp Program regulations as an initial step to determine if the new household member should be included as part of the household.
 - (B) If the new person should be included in the household, determine if the household meets all non-financial eligibility criteria.
 - (C) If the household meets all non-financial eligibility criteria with the addition of the new person, continue to determine if the new person has income that should be included in the benefit calculation.
 - (D) Run a test benefit calculation to determine if adding the person and his/her income to the pre-existing household's income would result in an increase or decrease to the household's benefits. Add the new person's income for the months in which they would be added to the household. The existing household's income shall not be reaveraged to include the new household member's income.
 - (E) When taking action to add the new person into the household, include the new person's income along with the household's pre-existing income to recalculate benefits for the month the person is added to the household and any remaining months in the quarter. The existing household's income shall not be reaveraged to include the new household member's income.
- (2) Adding a New Household Member Mid-quarter
 - (A) When all verification is received, all eligibility factors are met and the addition of the new person results in increased benefits, add the new household member to the household and increase benefits to the household, as a mid-quarter change, effective the first of the month following the month in which the change was reported.
 - (B) In any circumstance where the new household member has income, only that member's income is averaged over the remaining months in the quarter. The new household member's averaged income is then added to the existing household's averaged income to determine if benefits are to be increased or would result in a decrease mid-quarter. The new household member's averaged income is used to calculate benefits only for the months in which the new member is included in the household.

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

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

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

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- (3) New Person Results in Decreased Benefits
- (A) If the result of a new person reported in the household decreased benefits, no action shall be taken to decrease benefits mid-quarter. A NOA shall be sent to the household informing them that the voluntary report of the new person did not increase benefits. The NOA shall remind the household to report the new person and any income or property he/she has on the next QR 7.
1. The CWD shall treat notification of a recipient death mid-quarter as a voluntary recipient report for discontinuance of benefits for the deceased individual. If the information was received verbally, the CWD shall discontinue benefits at the end of the month in which timely and adequate notice can be provided. If the information was received in writing, the CWD shall discontinue at the end of the month with only adequate notice.
- (B) Information reported on the QR 7 shall be used in the determination of eligibility and benefit level for the upcoming quarter. The earliest the benefits could be decreased is the first of the next Payment Quarter provided 10-day notice is given. Discontinuance of benefits for ineligibility shall occur at the end of the Submit Month.

**63-509 INCOME ELIGIBILITY AND BENEFIT CALCULATION 63-509
FOR QUARTERLY REPORTING (Continued)****(4) New Person Results in Financial Ineligibility or Ineligibility Due to Other Eligibility Factors**

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

(g) Voluntary Recipient Request for Discontinuance of Benefits

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

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

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

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

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

(h) County-Initiated Mid-Quarter Actions

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

**63-509 INCOME ELIGIBILITY AND BENEFIT CALCULATION
FOR QUARTERLY REPORTING (Continued)****63-509****(1) Changes Resulting in County-initiated Actions Mid-Quarter**

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

- (A) Sanctions or financial penalties;
 - (B) Failure of the household to comply with a Quality Control Review.
 - (C) Benefits are applied for and approved for a household member in another household or for the household;
 - (D) Discontinuances due to the termination of a CalWORKs inter-county transfer as described in Section 63-503.7;
 - (E) Status changes in the California Food Assistance Program (CFAP).
- (2) County-Initiated Actions To Be Taken at the Beginning of the Quarter**

An exception to mid-quarter county-initiated actions occurs when adjustments/reductions to benefits are begun for recoupment of an O/I per Sections 63-801.44 and .45. This action shall be taken at the beginning of a quarter.

(3) Known to County Information**(A) Use of Known to County Information**

Information that is "known to county" and is considered information that is subject to mandatory reporting shall be used to:

1. Calculate an OI when the information received is obtained after benefits have been issued, such as in the case of Income and Eligibility Systems (IEVS) matches; and
2. Take prospective action to change benefits mid-quarter or at the beginning of a quarter if information reported by the recipient does not accurately reflect a mandatory mid-quarter report of information or information reported on the QR 7.

**63-509 INCOME ELIGIBILITY AND BENEFIT CALCULATION
FOR QUARTERLY REPORTING (Continued)****63-509****(B) CWD Action on Public Assistance (PA) Changes Known to CWD**

1. Changes to PA benefits shall be considered information that is known to county.
2. All changes to PA benefits shall be reviewed by the CWD for possible benefit increases or decreases by calculating a new budget.
3. Food stamp benefits shall be increased if the calculation indicates such an increase.
4. If a mid-quarter decrease is indicated, benefits cannot be decreased.

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

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

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- (C)** CWDs shall not act on information “known to county” that is not required to be reported, even if benefits could be increased mid-quarter based on the given information. The recipient must report a change before benefits will be increased.

(i) Third Party Information

Third party information is not known to the county and is a report from an anonymous source about a household’s circumstances. If information reported from a third party brings food stamp eligibility into question, the CWD must contact the household for clarification of the circumstance or take other action, such as making a fraud referral, as deemed appropriate by the CWD.

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

- (j) CWD Action on Information Obtained from Match Systems
- (1) The CWD shall consider information received from match systems such as the Income and Eligibility Verification System (IEVS), the Payment Verification System (PVS), and other such sources for purposes such as:
- (A) To determine if information reported on QR 7s is accurate;
 - (B) To determine if a fraud referral or an overissuance claim/adjustment is necessary;
 - (C) To determine if clarification of current eligibility is necessary.

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Eligibility Verification System (IEVS), Payment Verification System (PVS), Integrated Fraud Detection/Earnings Clearance System (IFD), Franchise Tax Board (FTB), Asset Match/Internal Revenue Service (IRS) Match, Beneficiary Earnings Exchange Record (BEER), New Hire Registry (NHR), other matches from special investigative units, and known information from CalWORKs or other assistance programs.

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

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

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

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

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

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

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

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

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

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(m) Changes Held Until Next Quarter

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

**63-509 INCOME ELIGIBILITY AND BENEFIT CALCULATION
FOR QUARTERLY REPORTING (Continued)****63-509****(n) Restorations and Reapplications Under QR/PB**

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

NOTE: Authority cited: Sections 10553, 10554, 11265, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code and Federal Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

63-801 CLAIMS AGAINST HOUSEHOLDS (Continued)**63-801**

- (c) In cases involving reported changes, the CWD shall determine the month the overissuance initially occurred as follows:
- (1) If, due to an inadvertent error on the part of the household, the household failed to report a change in its circumstances within the time frames required in Section 63-505, the first month affected by the household's failure to report shall be the first month in which the change would have been effective had it been timely reported. However, in no event shall the CWD determine as the first month in which the change would have been effective any month later than two months from the month in which the change in household circumstances occurred.
 - (2) Section 63-801.311(c)(2)(MR) shall become inoperative and Section 63-801.311(c)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) For monthly reporting households, a claim shall be established when the household fails to report a change on the CA 7 by the extended filing date for the appropriate report month. For nonmonthly reporting households, a claim shall be established if the household fails to report a change within 10 days of the date the change became known.
- (QR) For QR households, a claim shall be established when the household fails to report a change on the QR 7 for the appropriate Data Month and the QR Payment quarter was incorrectly computed based on failure of the recipient to report a change or a timely QR 7 was not submitted (see Handbook). For change reporting households, a claim shall be established if the household fails to report a change within 10 days of the date the change became known.

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Example: A QR 7 is not received timely and a 10-day notice cannot be sent to the recipient to reduce benefits beginning with the next QR Payment quarter: In the January/February/March quarter, a recipient submits the QR 7 on March 28, after the deadline for timely submission. After redetermining benefits based on information reported on the QR 7, the CWD determines that the April/May/June benefits should be reduced due to income reported on the QR 7. The QR 7 was submitted too late in the month for the CWD to provide 10-day notice and decrease benefits for April. The CWD issues a 10-day notice of decrease effective for May; pays benefits at the March level in April, and adjusts benefits to the correct amount for May and June. The difference between the May/June benefit amount and the April benefit amount is an O/I.

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- (3) If the household timely reported a change, but the CWD did not act on the change within the required time frames, the first month affected by the CWD's failure to act shall be the first month the CWD would have made the change effective had it timely acted. However, in no event shall the CWD determine as the first month in which the change would have been effective any month later than two months from the month in which the change in household circumstances occurred.
- .312 If the household received a larger allotment than it was entitled to receive, the CWD shall establish a claim against the household equal to the difference between the allotment the household received and the allotment the household should have received.
- (a) For categorically eligible households, a claim shall be determined only when the amount of the overissuance can be calculated on the basis of the household's net income and/or household size.
- (b) For further action required when the overissuance is discovered for a month or months in which any member has already performed a Workfare or work component requirement, see Section 63-407.89.
- (c) When determining the amount of benefits the household should have received, the CWD shall not apply the 20 percent earned income deduction to that portion of earned income which the household failed to report.

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- .313 After calculating the amount of the inadvertent household or administrative error claim, the CWD shall offset the amount of the claim against any amounts which have not yet been restored to the household as a restoration of lost benefits in accordance with Section 63-802.54. The CWD shall then initiate collection action for the remaining balance, if any.

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The California Department of Social Services and the CWDs are permanently enjoined by court order in Lopez v. Glickman from applying that part of 63-801.313 regarding the offset of administrative error claims. CWDs shall not offset the amount of an administrative error claim against any amount of lost benefits which have not yet been restored to the household.

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.32 Intentional Program Violation Claims

- .321 For each month that a household received an overissuance due to an act of intentional Program violation, the CWD shall determine the correct amount of food stamp benefits, if any, the household was entitled to receive. The amount of the intentional Program violation claim shall be calculated back to the month the act of intentional Program violation occurred, regardless of the length of time that elapsed until the determination of intentional Program violation was made or the date the Waiver of Right to an Administrative Disqualification Hearing or Disqualification Consent Agreement was signed.

However, the CWD shall not include in its calculation any amount of the overissuance which occurred in a month more than six years from the date the overissuance was discovered or prior to March 1, 1979. If the household member is determined to have committed intentional Program violation by intentionally failing to report a change in its household's circumstances, the first month affected by the household's failure to report shall be the first month in which the change would have been effective had it been reported. However, in no event shall the CWD determine as the first month in which the change would have been effective any month later than two months from the month in which the change in household circumstances occurred.

- .322 If the household received a larger allotment than it was entitled to receive, the CWD shall establish a claim against the household equal to the difference between the allotment the household received and the allotment the household should have received.

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- .732 Prior to reduction, the CWD shall send the household a DFA 377.7C, a DFA 377.7E, or a DFA 377.7G informing them of the appropriate formula specified in Section 63-801.737, for determining the amount of food stamps to be recovered each month and the effect of that formula on the household's allotment (i.e., the amount of food stamps the CWD expects will be recovered each month), and of the availability of other methods of repayment.

- .733 If the household requests to make a lump sum cash and/or food stamp coupon payment as full or partial payment of the claim, the CWD shall accept this method of payment. The CWD shall reduce the household's allotment as specified in Section 63-801.736, to recover any amounts of a claim not repaid through a lump sum cash and/or food stamp coupon payment, unless a payment schedule has been negotiated with the household.

- .734 The provision in Section 63-503.325 for a \$10 minimum benefit level for households with one and two members only, shall apply to the allotment prior to the reduction.

- .735 The CWD shall use the full amount of the claim to offset any restoration of lost benefits.

- .736 The amount of food stamps to be recovered each month through allotment reduction shall be determined in accordance with the following procedures and the calculated figure rounded as specified in Section 63-503.31.
 - (a) Inadvertent Household and Administrative Error Claims

For inadvertent household and administrative error claims, the amount of food stamps recovered shall be 10 percent of the household's monthly allotment or \$10 per month, whichever is the greater amount.

 - (b) Intentional Program Violation Claims

For intentional Program violation claims, the amount of food stamps shall be 20 percent of the household's monthly allotment or \$20 per month, whichever is the greater amount.

- (QR) .737 Recoupment by Allotment Adjustment for QR Households
 - (QR) (a) O/I allotment adjustment shall only be initiated at the beginning of a quarter. However, an allotment adjustment shall be discontinued mid-quarter as appropriate when the O/I has been recouped.

63-801 CLAIMS AGAINST HOUSEHOLDS (Continued)**63-801**

- (QR) (b) When the CWD completes re-couplement of one O/I mid-quarter, the CWD may begin recouplement of the next O/I in mid-quarter as long as the amount being adjusted does not result in the benefits being decreased mid-quarter.

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The following examples provide some guidance in the determination of O/Is in QR.

Late Mandatory Mid-Quarter Reporting: The recipient is in the April/May/June quarter. The mother is in a household of three and is convicted of a drug felony on April 25 and reports the conviction on April 26. The report is considered timely, because it was made within 10 days. The CWD is unable to decrease benefits for May to reflect discontinuance of the ineligible household member, because there is insufficient time to provide 10-day notice. Benefits must be issued for May in the same amount that was issued in April, and the CWD must take action to decrease benefits effective June 1. The CWD shall not establish an O/I for the May allotment, because the recipient reported the change timely.

NOTE: This does not apply to food stamp only households.

Late QR 7: In the July/August/September quarter, a recipient turns in her QR 7 on September 25. She reports starting a new job in August and indicates that she will receive \$1,000 earnings each month. The CWD is unable to reduce cash aid and food stamp benefits for the October/November/December quarter effective October 1 due to inability to provide 10-day notice of the decrease resulting from increased income. The CWD is required to make the change effective November 1, and shall establish an O/I for food stamp benefits that were issued in error for October.

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Failure to Report Income: Looking back at the quarter designated as October/November/December, the CWD determines through an IEVS match that a CalWORKs AU and food stamp household had income that exceeded the IRT on December 26. The household is still receiving the same level of income in the current Jan/Feb/Mar quarter and has never reported the income as a mid-quarter report. The CWD determines that the household should have reported this change by January 5, and should have been discontinued due to ineligibility effective January 31. An O/I would be established beginning February 1.

CWD Failure to Act: The household reports on the QR 7 submitted March 5 that the father started a job on February 10. The income is expected to continue at the same level in the next QR Payment Quarter. The CWD failed to use the newly reported income to determine benefits for the next QR Payment Quarter (April/May/June). If using the income to compute the food stamp benefits should have resulted in a lower grant and allotment to the household, the CWD must establish an O/I for the amount the household was not entitled to receive beginning April 1.

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.74 Other Collection Actions

- .741 CWDs may employ any other collection methods to collect claims. These actions include, but are not limited to, referrals to collection and/or similar private and public sector agencies, state tax refund and lottery offsets, wage garnishments, property liens, and small claims court.

.75 Unspecified Joint Collections

- .751 When an unspecified joint collection is received for a combined public assistance/food stamp recipient claim, each program must receive its pro rata share of the amount collected. An unspecified joint collection is when funds are received in response to correspondence or a referral that contained both the food stamp and other program claim(s) and the debtor does not specify to which claim to apply the collection.

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.76 Unemployment Compensation Benefits

.761 Arrangements may be made to intercept the liable individual's unemployment compensation benefits to collect any claim. This collection may be included as part of a repayment agreement.

(a) Unemployment compensation benefits may be intercepted by obtaining a court order.

(b) Any intercept of unemployment compensation benefits must be reported as "cash" payments.

.77 Public Service

.771 If authorized by a court, the value of a claim may be paid by the household performing public service.

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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, 11265.1, .2 and .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, 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; Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003; 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.

63-804	STATE HEARINGS (Continued)	63-804
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- .621 A household provided a timely notice of action, shall file their request as specified in Section 22-004 for a hearing prior to the effective date of the proposed reduction or termination of its benefits.
 - .622 A household provided a concurrent notice of action as specified in Section 63-504.264(b), shall file, as specified in Section 22-004, their request for a hearing prior to 10 days following the date the CWD mails this notice to the household.
 - .623 Section 63-804.623(MR) shall become inoperative and Section 63-804.623(QR) shall become effective in that county, pursuant to the Director's QR/PB Declaration.
 - (MR) A household provided a notice of action informing the household of a proposed change in benefits or of a termination of benefits for the nonsubmittal of a complete CA 7, shall file its request prior to the effective date of the termination of its benefits.
 - (QR) A household provided a notice of action informing the household of a proposed change in benefits or of a termination of benefits for the nonsubmittal of a complete QR 7, shall file its request prior to the effective date of the termination of its benefits.
- .63 Time Frames for Providing Continuation of Benefits
- .631 The CWD shall provide continued benefits, as specified in Section 22-023.1, to any household entitled to such benefits within five working (5) days of the date:
 - (a) The CWD receives a written request from the household; or
 - (b) The CWD is notified by CDSS of the household's written request for a hearing; or
 - (c) CDSS receives the household's oral request for a hearing.
 - .632 Continued benefits shall not be provided to the household prior to the first regular issuance date when the household's benefits would have been reduced or terminated.
- .64 Changes Pending the Hearing Decision
- .641 Section 63-804.641(MR) shall become inoperative and Section 63-804.641(QR) shall become effective in that county, pursuant to the Director's QR/PB Declaration.

63-804	STATE HEARINGS (Continued)	63-804
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- (MR) Any monthly reporting household whose benefits have been continued shall continue to file CA 7s until the end of its certification period.
- (QR) Any QR household whose benefits have been continued shall continue to file QR 7s until the end of its certification period.
- .642 Once continued or reinstated, benefits shall not be reduced or terminated, nor shall a claim awaiting a hearing decision be considered delinquent, prior to the receipt of the official hearing decision, unless any of the following situations occur while the hearing decision is pending:
 - (a) A household's certification period expires. The household may reapply and may be determined eligible for a new certification period and for an allotment calculated by the CWD.
 - (b) The hearing official makes a preliminary determination in writing at the hearing as specified in Section 22-022.523 that the sole issue is one of regulation and that the household's claim that the CWD improperly computed its benefits or misapplied or misinterpreted the regulations is invalid.
 - (c) A change in household circumstances other than the issue being contested results in a reduction or termination of the household's benefits and the household fails to file a request for a hearing and continuation of benefits after receiving the corresponding notice of action.
 - (d) A mass change reduces or terminates the household's benefits and the household fails to file a request for a hearing and continuation of benefits.
 - (e) Section 63-804.642(e)(MR) shall become inoperative and Section 63-804.642(e)(QR) shall become effective in that county, pursuant to the Director's QR/PB Declaration.
- (MR) A monthly reporting household fails to provide required verification of items on the CA 7 resulting in a reduction or termination of benefits, unless this is the issue being contested, and the household fails to file a request for a hearing and continuation of benefits after receiving the corresponding notice of action informing the household of a proposed change in benefits or of a termination of benefits for the nonsubmittal of a complete CA 7.

63-804	STATE HEARINGS (Continued)	63-804
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(QR) A QR household fails to provide required verification of items on the QR 7 resulting in a reduction or termination of benefits, unless this is the issue being contested, and the household fails to file a request for a hearing and continuation of benefits after receiving the corresponding notice of action informing the household of a proposed change in benefits or of a termination of benefits for the nonsubmittal of a complete QR 7.

(f) Section 63-804.642(f)(MR) shall become inoperative and Section 63-804.642(f)(QR) shall become effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) A monthly reporting household fails to file a CA 7 or fails to file a complete CA 7 by the extended filing date, resulting in a termination of benefits. The household does not file a request for a hearing and continuation of benefits after receiving the corresponding notice of action informing them of a termination of benefits for the nonsubmittal of a complete CA 7.

(QR) A QR household fails to file a QR 7 or fails to file a complete QR 7 by the extended filing date, resulting in a termination of benefits. The household does not file a request for a hearing and continuation of benefits after receiving the corresponding notice of action informing them of a termination of benefits for the nonsubmittal of a complete QR 7.

.643 The CWD shall notify the household as specified in Section 63-504.261 whenever benefits are reduced or terminated pending the hearing decision.

.7 Timely Action on Hearing Decisions

Decisions which result in an increase in a household's benefits shall be reflected in the coupon allotment within 10 days of the receipt of the hearing decision even if the CWD must provide a supplementary authorization document or otherwise provide the household with an opportunity to obtain the allotment outside of the normal issuance cycle. However, the CWD may take longer than 10 days if it elects to make the decision effective in the household's normal issuance cycle, provided that the issuance will occur within 60 days from the household's request for the hearing. Decisions which result in a decrease in household benefits shall be reflected in the next scheduled issuance following receipt of the hearing decision.

NOTE: Authority cited: Sections 10554, 11265.1, .2 and .3, 18904, and 18910, Welfare and Institutions Code. Reference: Sections 10554, 11265.1, .2, and .3, 18904, and 18910, Welfare and Institutions Code; and 7 CFR 271.2; 7 CFR 273.18(e)(6); and Food and Nutrition Service Quarterly Reporting/Prospective Budgeting waiver approval dated April 1, 2003.

63-805	INTENTIONAL PROGRAM VIOLATION DISQUALIFICATION	63-805
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.1 Disqualification Penalties for Intentional Program Violation

.11 Individuals found to have committed an intentional Program violation either through an administrative disqualification hearing or by a court of appropriate jurisdiction or individuals accused of intentional Program violation who have signed an Administrative Disqualification Hearing Waiver or a Disqualification Consent Agreement shall be ineligible to participate in the Food Stamp Program as specified in Section 20-300.3.

.12 Provisions governing administrative and court-ordered disqualifications, CWD administrative responsibilities and reporting requirements, and other related provisions are covered in CDSS' Manual of Policies and Procedures, Division 20, Chapter 20-300.

.2 Participation While Awaiting a Hearing

A pending disqualification hearing shall not affect the individual's or the household's right to be certified and participate in the Food Stamp Program. Since the CWD cannot disqualify a household member for intentional Program violation until the hearing official finds that the individual has committed an intentional Program violation, the CWD shall determine the eligibility and benefit level of the household in the same manner it would be determined for any other household.

.21 The household's benefits shall be terminated if the certification period has expired and the household fails to reapply, after receiving a notice of action informing them of the expiration of their certification period.

.22 The CWD shall also reduce or terminate the household's benefits if it has documentation which substantiates that the household is ineligible or eligible for fewer benefits (even if these facts led to the suspicion of intentional Program violation and the resulting disqualification hearing) and the household fails to request a state hearing and continuation of benefits pending the hearing.

.3 Reversed Administrative Disqualifications

In cases where the determination of intentional Program violation is reversed by a court of appropriate jurisdiction, the CWD shall reinstate the individual in the Food Stamp Program if the household is eligible. The CWD shall restore benefits that were lost as a result of the disqualification in accordance with the procedures specified in Section 63-802.15.

NOTE: Authority cited: Sections 10554 and 18904, Welfare and Institutions Code. Reference: Sections 10554 and 18904, Welfare and Institutions Code.